

# House Study Bill 727

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON VAN FOSSEN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to taxation by making changes relating to  
2 property tax, income tax, city and county budgets, creating an  
3 implementation task force and providing an appropriation, and  
4 providing effective and applicability dates.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 5494HC 81  
7 sc/cf/24

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1 1 DIVISION I  
1 2 ASSESSMENT AND VALUATION OF PROPERTY  
1 3 Section 1. Section 421.30, subsection 6, Code 2005, is  
1 4 amended to read as follows:  
1 5 6. Upon the director's approval of the advancement of  
1 6 funds from the reassessment expense fund, the director shall  
1 7 certify to the appropriate conference board and assessor a  
1 8 schedule for disbursing the loan to the assessing  
1 9 jurisdiction's ~~appraiser~~ assessment expense fund authorized by  
1 10 section ~~441.50~~ 441.16. The schedule shall provide for the  
1 11 disbursement of funds over the period of the reassessment  
1 12 project, except that ten percent of the funds shall not be  
1 13 disbursed until the project is completed. The conference  
1 14 board shall at its next opportunity levy pursuant to section  
1 15 ~~441.50~~ 441.16 sufficient funds for purposes of repaying the  
1 16 loan made from the reassessment expense fund. The amount  
1 17 levied shall be sufficient to repay the loan in semiannual  
1 18 installments during the course of the reappraisal project as  
1 19 specified by a repayment schedule established by the director.  
1 20 The repayment schedule shall provide for repayment of the loan  
1 21 not later than one year following the completion of the  
1 22 reassessment. Semiannual repayments of the proceeds of the  
1 23 loan shall be made on or before December 1 and May 1 of each  
1 24 year.  
1 25 Sec. 2. NEW SECTION. 428.3 ON=SITE INSPECTIONS REQUIRED.  
1 26 At least once every ten years, the assessor shall conduct  
1 27 an on-site inspection of each parcel of property located in  
1 28 the assessor's assessing jurisdiction.  
1 29 Sec. 3. Section 428.29, Code 2005, is amended to read as  
1 30 follows:  
1 31 428.29 ASSESSMENT AND CERTIFICATION.  
1 32 The director of revenue shall on the second Monday of July  
1 33 of each year proceed to determine, upon the basis of the data  
1 34 required in such report and any other information the director  
1 35 may obtain, the actual and taxable value of all property,  
2 1 subject to the director's jurisdiction, of said individual,  
2 2 copartnership, corporation, or association, ~~and shall make~~  
2 3 ~~assessments upon the taxable value thereof, as provided by~~  
2 4 ~~section 441.21.~~ The director of revenue shall, on or before  
2 5 the third Monday in August, certify to the county auditor of  
2 6 every county in the state the valuations fixed for assessment  
2 7 upon all such property in each and every taxing district in  
2 8 each county by the department of revenue. This valuation  
2 9 shall then be spread upon the books in the same manner as  
2 10 other valuations fixed by the department of revenue upon  
2 11 property assessed under the department's jurisdiction.  
2 12 Sec. 4. Section 433.5, Code 2005, is amended to read as  
2 13 follows:  
2 14 433.5 ACTUAL AND TAXABLE VALUE PER MILE.  
2 15 The director of revenue shall ascertain the value per mile  
2 16 of the property of each of said companies within this state by

2 17 dividing the total value, as above ascertained, by the number  
2 18 of miles of line of such company within the state, and the  
2 19 result shall be deemed and held to be the actual and taxable  
2 20 value per mile of line of the property of such company within  
2 21 this state.

2 22 Sec. 5. Section 434.15, unnumbered paragraph 1, Code 2005,  
2 23 is amended to read as follows:

2 24 The said property shall be valued at its actual value, and  
2 25 the assessments shall be made upon the taxable value of the  
2 26 entire railway within the state, except as otherwise provided,  
2 27 and the actual value so ascertained shall be ~~assessed as~~  
2 28 ~~provided by section 441.21 the taxable value,~~ and shall

2 29 include the right of way, roadbed, bridges, culverts, rolling  
2 30 stock, depots, station grounds, shops, buildings, gravel beds,  
2 31 and all other property, real and personal, exclusively used in  
2 32 the operation of such railway. In assessing ~~said~~ said railway  
2 33 and its equipments, the director of revenue shall take into  
2 34 consideration the gross earnings per mile for the year ending  
2 35 January 1, preceding, and any and all other matters necessary  
3 1 to enable the director to make a just and equitable assessment  
3 2 of ~~said~~ said railway property. If a part of any railway is  
3 3 ~~without located outside~~ this state, ~~then,~~ in estimating the  
3 4 value of its rolling stock and movable property, the director  
3 5 shall take into consideration the proportion which the  
3 6 business of that part of the railway lying within the state  
3 7 bears to the business of the railway ~~without located outside~~  
3 8 this state.

3 9 Sec. 6. Section 437.6, Code 2005, is amended to read as  
3 10 follows:

3 11 437.6 ACTUAL AND TAXABLE VALUE.

3 12 On the second Monday in July of each year, the director of  
3 13 revenue shall proceed to find the actual value of that part of  
3 14 such transmission line or lines referred to in section 437.2,  
3 15 owned or operated by any company, that is located within this  
3 16 state but outside cities, including the whole of such line or  
3 17 lines when all of such line or lines owned or operated by ~~said~~  
3 18 ~~the~~ company is located wholly outside of cities, taking into  
3 19 consideration the information obtained from the statements  
3 20 required by this chapter, and any further information  
3 21 obtainable, using the same as a means of determining the  
3 22 actual cash value of such transmission line or lines or part  
3 23 thereof, within this state, located outside of cities. The  
3 24 director shall then ascertain the value per mile of such  
3 25 transmission line or lines owned or operated by each company  
3 26 specified in section 437.2, by dividing the total value as  
3 27 above ascertained by the number of miles of line of such  
3 28 company within the state located outside of cities, and the  
3 29 result shall be deemed and held to be the actual and taxable  
3 30 value per mile of ~~said~~ said transmission line or lines of each  
3 31 of ~~said the~~ companies within the state located outside of  
3 32 cities.

3 33 Sec. 7. Section 438.13, Code 2005, is amended to read as  
3 34 follows:

3 35 438.13 BASIS OF VALUATION AND ASSESSMENT.

4 1 The said property shall be valued at its actual value, and  
4 2 the assessments shall be made upon the taxable value of the  
4 3 entire pipeline property within the state, except as otherwise  
4 4 provided, ~~and the actual and taxable value so ascertained~~  
4 5 ~~shall be assessed as provided by section 441.21; and shall~~  
4 6 include the rights of way, easements, the pipelines, stations,  
4 7 grounds, shops, buildings, pumps and all other property, real  
4 8 and personal exclusively used in the operation of such  
4 9 pipeline. In assessing ~~said~~ said pipeline company and its  
4 10 equipment, the director of revenue shall take into  
4 11 consideration the gross earnings and the net earnings for the  
4 12 entire property, and per mile, for the year ending December 31  
4 13 preceding, and any and all other matters necessary to enable  
4 14 the director to make a just and equitable assessment of ~~said~~  
4 15 said pipeline property.

4 16 Sec. 8. Section 438.15, Code 2005, is amended to read as  
4 17 follows:

4 18 438.15 ASSESSED VALUE IN EACH TAXING DISTRICT == RECORD.

4 19 At the first meeting of the board of supervisors held after  
4 20 said statement is received by the county auditor, the board  
4 21 shall cause the same to be entered on its minute book, and  
4 22 make and enter in the minute book an order describing and  
4 23 stating the assessed value of each pipeline lying in each  
4 24 city, township, or lesser taxing district in its county,  
4 25 through or into which the pipeline extends, as fixed by the  
4 26 director of revenue, which shall constitute the ~~assessed~~  
4 27 taxable value of the property for taxing purposes; and the

4 28 taxes on the property, when collected by the county treasurer,  
4 29 shall be disposed of as other taxes. The county auditor shall  
4 30 transmit a copy of the order to the council of the city, or  
4 31 the trustees of the township, as the case may be.

4 32 Sec. 9. Section 441.1, Code 2005, is amended to read as  
4 33 follows:

4 34 441.1 OFFICE OF ASSESSOR CREATED.

4 35 ~~In~~ Except as otherwise provided in section 441.16A, in  
5 1 every county in the state of Iowa the office of assessor is  
5 2 ~~hereby~~ created. A city having a population of ten thousand or  
5 3 more, according to the latest federal census, may by ordinance  
5 4 provide for the selection of a city assessor and for the  
5 5 assessment of property in the city under the provisions of  
5 6 this chapter. A city desiring to provide for assessment under  
5 7 the provisions of this chapter shall, not less than sixty days  
5 8 before the expiration of the term of the assessor in office,  
5 9 notify the taxing bodies affected and proceed to establish a  
5 10 conference board, examining board, and board of review and  
5 11 select an assessor, all as provided in this chapter. A city  
5 12 desiring to abolish the office of city assessor shall repeal  
5 13 the ordinance establishing the office of city assessor, notify  
5 14 the county conference board and the affected taxing districts,  
5 15 provide for the transfer of appropriate records and other  
5 16 matters, and provide for the abolition of the respective  
5 17 boards and the termination of the terms of office of the  
5 18 assessor and members of the respective boards. The abolition  
5 19 of the city assessor's office shall take effect on July 1  
5 20 following notification of the abolition unless otherwise  
5 21 agreed to by the affected conference boards. If notification  
5 22 of the proposed abolition is made after January 1, sufficient  
5 23 funds shall be transferred from the city assessor's budget to  
5 24 fund the additional responsibilities transferred to the county  
5 25 assessor for the next fiscal year.

5 26 Sec. 10. Section 441.16, unnumbered paragraph 7, Code  
5 27 2005, is amended to read as follows:

5 28 Any tax for the maintenance of the office of assessor and  
5 29 other assessment procedure shall be levied only upon the  
5 30 property in the area assessed by ~~said the~~ assessor and such  
5 31 tax levy shall not exceed ~~forty and one-half~~ eighty=one cents  
5 32 per thousand dollars of assessed value in assessing areas  
5 33 where the valuation upon which the tax is levied does not  
5 34 exceed ninety=two million, six hundred thousand dollars;  
5 35 ~~thirty=three and three-fourths~~ seventy=four and one-fourth  
6 1 cents per thousand dollars of assessed value in assessing  
6 2 areas where the valuation upon which the tax is levied exceeds  
6 3 ninety=two million, six hundred thousand dollars and does not  
6 4 exceed one hundred eleven million, one hundred twenty thousand  
6 5 dollars; ~~twenty=seven~~ sixty=seven and one-half cents per  
6 6 thousand dollars of assessed value in assessing areas where  
6 7 the valuation upon which the tax is levied exceeds one hundred  
6 8 eleven million, one hundred twenty thousand dollars. The  
6 9 county treasurer shall credit the sums received from such levy  
6 10 to a separate fund to be known as the "assessment expense  
6 11 fund" and from which fund all expenses incurred under this  
6 12 chapter shall be paid. In the case of a county where there is  
6 13 more than one assessor the treasurer shall maintain separate  
6 14 assessment expense funds for each assessor.

6 15 Sec. 11. NEW SECTION. 441.16A COUNTIES JOINING IN  
6 16 EMPLOYMENT OF MULTICOUNTY ASSESSOR.

6 17 The conference boards of two or more adjacent counties may  
6 18 enter into an agreement to jointly employ a county assessor.  
6 19 Such agreement shall be written and entered in their  
6 20 respective minutes and a copy of the agreement transmitted to  
6 21 the conference board of each county that is a party to the  
6 22 agreement. The written agreement shall provide for the manner  
6 23 of allocation of the budget of the assessor's office. The  
6 24 provisions of chapter 28E shall be applicable to this section,  
6 25 except that such agreement shall not be applicable for a  
6 26 period of less than six years beginning from the date the  
6 27 multicounty assessor is appointed by a conference board.

6 28 A multicounty conference board shall be established with  
6 29 representation as provided for in section 441.2 from each  
6 30 county that is a party to the agreement. The multicounty  
6 31 conference board shall appoint one examining board.

6 32 The term of the multicounty assessor shall begin on July 1  
6 33 following the date of the agreement and the terms of the  
6 34 incumbent assessor in each county that is a party to the  
6 35 agreement shall expire on that date, notwithstanding the term  
7 1 specified in section 441.8.

7 2 Sec. 12. Section 441.17, subsection 7, Code 2005, is  
7 3 amended to read as follows:

7 4 7. Submit on or before ~~May~~ October 1 of each year  
7 5 completed assessment rolls to the board of review.

7 6 Sec. 13. Section 441.21, subsection 1, paragraph e, Code  
7 7 Supplement 2005, is amended to read as follows:

7 8 e. The actual value of agricultural property shall be  
7 9 determined on the basis of productivity and net earning  
7 10 capacity of the property determined on the basis of its use  
7 11 for agricultural purposes capitalized at a rate of seven  
7 12 percent and applied uniformly among counties and among classes  
7 13 of property. Any formula or method employed to determine  
7 14 productivity and net earning capacity of property shall be  
7 15 adopted in full by rule, and effective for the assessment year  
7 16 beginning January 1, 2011, and each year thereafter, such  
7 17 formula or method shall determine productivity and net earning  
7 18 capacity based on a ten-year average with the first year  
7 19 beginning eleven years prior to January 1 of the assessment  
7 20 year and with the tenth year beginning two years prior to  
7 21 January 1 of the assessment year.

7 22 For valuations established for the assessment year  
7 23 beginning January 1, 2007, through valuations established for  
7 24 the assessment year beginning January 1, 2011, the formula or  
7 25 method used to determine productivity and net earning capacity  
7 26 shall be an average based on the following calendar years:

7 27 (1) For the assessment year beginning January 1, 2007,  
7 28 calendar years 2000 through 2005.

7 29 (2) For the assessment year beginning January 1, 2008,  
7 30 calendar years 2000 through 2006.

7 31 (3) For the assessment year beginning January 1, 2009,  
7 32 calendar years 2000 through 2007.

7 33 (4) For the assessment year beginning January 1, 2010,  
7 34 calendar years 2000 through 2008.

7 35 Sec. 14. Section 441.21, subsection 4, Code Supplement  
8 1 2005, is amended by striking the subsection and inserting in  
8 2 lieu thereof the following:

8 3 4. Except as provided in subsection 4A, for valuations  
8 4 established for the assessment year beginning January 1, 2007,  
8 5 the percentage of actual value, as equalized by the director  
8 6 of revenue as provided in section 441.49, at which residential  
8 7 property shall be assessed shall be forty=six percent. For  
8 8 valuations established for the assessment year beginning  
8 9 January 1, 2008, the percentage of actual value, as equalized  
8 10 by the director of revenue as provided in section 441.49, at  
8 11 which residential property shall be assessed shall be forty=  
8 12 seven percent. For valuations established for the assessment  
8 13 year beginning January 1, 2009, the percentage of actual  
8 14 value, as equalized by the director of revenue as provided in  
8 15 section 441.49, at which residential property shall be  
8 16 assessed shall be forty=eight percent. For valuations  
8 17 established for the assessment year beginning January 1, 2010,  
8 18 the percentage of actual value, as equalized by the director  
8 19 of revenue as provided in section 441.49, at which residential  
8 20 property shall be assessed shall be forty=nine percent. For  
8 21 valuations established for the assessment year beginning  
8 22 January 1, 2011, and each year thereafter, the percentage of  
8 23 actual value, as equalized by the director of revenue as  
8 24 provided in section 441.49, at which residential property  
8 25 shall be assessed shall be fifty percent.

8 26 Sec. 15. Section 441.21, Code Supplement 2005, is amended  
8 27 by adding the following new subsections:

8 28 NEW SUBSECTION. 4A. For valuations established for the  
8 29 assessment year beginning January 1, 2007, and each year  
8 30 thereafter, residential property with an actual value of less  
8 31 than twenty thousand dollars, as equalized by the director of  
8 32 revenue as provided in section 441.49, shall have an assessed  
8 33 value equal to its actual value minus ten thousand dollars.  
8 34 However, such reduction shall not cause the assessed value to  
8 35 be reduced to less than zero.

9 1 NEW SUBSECTION. 4B. For valuations established for the  
9 2 assessment year beginning January 1, 2007, and each year  
9 3 thereafter, the percentage of its productivity value, as  
9 4 equalized by the director of revenue as provided in section  
9 5 441.49, at which agricultural property shall be assessed shall  
9 6 be one hundred percent.

9 7 Sec. 16. Section 441.21, subsection 5, Code Supplement  
9 8 2005, is amended by striking the subsection and inserting in  
9 9 lieu thereof the following:

9 10 5. For valuations established for the assessment year  
9 11 beginning January 1, 2007, the percentage of actual value, as  
9 12 equalized by the director of revenue as provided in section  
9 13 441.49, at which commercial property shall be assessed shall  
9 14 be ninety=nine and one thousand five hundred nine ten

9 15 thousandths percent. For valuations established for the  
9 16 assessment year beginning January 1, 2008, and each year  
9 17 thereafter, the percentage of actual value, as equalized by  
9 18 the director of revenue as provided in section 441.49, at  
9 19 which commercial property shall be assessed shall be one  
9 20 hundred percent.

9 21 Sec. 17. Section 441.21, Code Supplement 2005, is amended  
9 22 by adding the following new subsection:

9 23 NEW SUBSECTION. 5A. For valuations established for the  
9 24 assessment year beginning January 1, 2007, and each year  
9 25 thereafter, the percentage of actual value, as equalized by  
9 26 the director of revenue as provided in section 441.49, at  
9 27 which industrial property shall be assessed shall be one  
9 28 hundred percent.

9 29 Sec. 18. Section 441.21, subsection 6, Code Supplement  
9 30 2005, is amended to read as follows:

9 31 6. Beginning with valuations established as of January 1,  
9 32 1978, the assessors shall report the aggregate taxable values  
9 33 and the number of dwellings located on agricultural land and  
9 34 the aggregate taxable value of all other structures on  
9 35 agricultural land. Beginning with valuations established as  
10 1 of January 1, 1981, the agricultural dwellings located on  
10 2 agricultural land shall be valued at their market value as  
10 3 defined in this section and agricultural dwellings shall be  
10 4 valued as rural residential property and shall be assessed at  
10 5 the same percentage of actual value as is all other  
10 6 residential property. For valuations established for the  
10 7 assessment year beginning January 1, 2007, and each year  
10 8 thereafter, the land, equal to one acre, containing an  
10 9 agricultural dwelling shall be valued at its market value as  
10 10 defined in this section and shall be valued as rural  
10 11 residential property and shall be assessed at the same  
10 12 percentage of actual value as is all other residential  
10 13 property.

10 14 Sec. 19. Section 441.21, subsections 9 and 10, Code  
10 15 Supplement 2005, are amended by striking the subsections.

10 16 Sec. 20. Section 441.23, Code 2005, is amended to read as  
10 17 follows:

10 18 441.23 NOTICE OF VALUATION.

10 19 If there has been an increase or decrease in the valuation  
10 20 of the property, or upon the written request of the person  
10 21 assessed, the assessor shall, at the time of making the  
10 22 assessment, inform the person assessed, in writing, of the  
10 23 valuation put upon the taxpayer's property, and notify the  
10 24 person, that if the person feels aggrieved, to appear before  
10 25 the board of review and show why the assessment should be  
10 26 changed. However, if the valuation of a class of property is  
10 27 uniformly decreased, the assessor may notify the affected  
10 28 property owners by publication in the official newspapers of  
10 29 the county. The owners of real property shall be notified not  
10 30 later than ~~April~~ September 15 of any adjustment of the real  
10 31 property assessment.

10 32 Sec. 21. Section 441.26, unnumbered paragraphs 2 and 3,  
10 33 Code 2005, are amended to read as follows:

10 34 If you are not satisfied that the foregoing assessment is  
10 35 correct, you may file a protest against such assessment with  
11 1 the board of review on or after ~~April~~ September 16, to and  
11 2 including ~~May~~ October 5, of the year of the assessment, such  
11 3 protest to be confined to the grounds specified in section  
11 4 441.37.

11 5 Dated: ..... day of .. (month), .... (year)  
11 6 .....  
11 7 County/City Assessor.

11 8 The notice in ~~1981~~ and each odd-numbered year ~~thereafter~~  
11 9 shall contain a statement that the assessments ~~are~~ were  
11 10 subject to equalization pursuant to an order issued by the  
11 11 director of revenue, that the county auditor shall give notice  
11 12 on or before ~~October 15~~ September 14 by publication in an  
11 13 official newspaper of general circulation to any class of  
11 14 property affected by the equalization order, and that the  
11 15 board of review shall be in session from October ~~15~~ 1 to  
11 16 November ~~15~~ 10 to hear protests of affected property owners or  
11 17 taxpayers whose valuations have been adjusted by the  
11 18 equalization order.

11 19 Sec. 22. Section 441.28, Code Supplement 2005, is amended  
11 20 to read as follows:

11 21 441.28 ASSESSMENT ROLLS == CHANGE == NOTICE TO TAXPAYER.

11 22 1. The assessment shall be completed not later than ~~April~~  
11 23 September 15 each year. If the assessor makes any change in  
11 24 an assessment after it has been entered on the assessor's  
11 25 rolls, the assessor shall note on the roll, together with the

11 26 original assessment, the new assessment and the reason for the  
11 27 change, together with the assessor's signature and the date of  
11 28 the change. Provided, however, in the event the assessor  
11 29 increases any assessment the assessor shall give notice of the  
11 30 increase in writing to the taxpayer by mail postmarked no  
11 31 later than ~~April~~ September 15. No changes shall be made on  
11 32 the assessment rolls after ~~April~~ September 15 except by order  
11 33 of the board of review or of the property assessment appeal  
11 34 board, or by decree of court.

11 35 2. The county assessor of each county and each city  
12 1 assessor shall, on or before July 1 of each year, make out and  
12 2 transmit to the department of revenue an abstract of the real  
12 3 property in the assessor's county or city, as the case may be,  
12 4 and file a copy of the abstract with the county auditor, in  
12 5 which the assessor shall set forth:

12 6 a. The number of acres of land and the aggregate taxable  
12 7 values of the land, exclusive of city lots, returned by the  
12 8 assessors.

12 9 b. The aggregate taxable values of real estate by class in  
12 10 each township and city in the county.

12 11 c. Other facts required by the director of revenue.

12 12 3. Completed assessments shall be mailed to taxpayers on  
12 13 or before September 15. Completed assessments mailed in the  
12 14 odd-numbered year shall have been adjusted as ordered by the  
12 15 department pursuant to section 441.49.

12 16 4. The county assessor of each county and each city  
12 17 assessor shall, on or before December 2 of each year, make out  
12 18 and transmit to the department of revenue a revised abstract,  
12 19 as corrected by the board of review, of the real property in  
12 20 the assessor's county or city, as the case may be, and file a  
12 21 copy of the revised abstract with the county auditor.

12 22 Sec. 23. Section 441.33, Code 2005, is amended to read as  
12 23 follows:

12 24 441.33 SESSIONS OF BOARD OF REVIEW.

12 25 The board of review shall be in session from ~~May~~ October 1  
12 26 through the period of time necessary to act on all protests  
12 27 filed under section 441.37 but not later than ~~May~~ October 31  
12 28 ~~each year in even-numbered years and November 10 in odd-~~  
12 29 ~~numbered years~~ and for an additional period as required under  
12 30 section 441.37 and shall hold as many meetings as are  
12 31 necessary to discharge its duties. On or before ~~May~~ October  
12 32 ~~31 or November 10, as applicable,~~ in those years in which a  
12 33 session has not been extended as required under section  
12 34 441.37, the board shall return all books, records, and papers  
12 35 to the assessor except undisposed of protests and records  
13 1 pertaining to those protests. If it has not completed its  
13 2 work by ~~May~~ October 31 ~~or November 10, as applicable,~~ in those  
13 3 years in which the session has not been extended under section  
13 4 441.37, the director of revenue may authorize the board of  
13 5 review to continue in session for a period necessary to  
13 6 complete its work, but the director of revenue shall not  
13 7 approve a continuance extending beyond ~~July~~ November 15 in  
13 8 ~~even-numbered years and November 20 in odd-numbered years.~~ On  
13 9 or before ~~May~~ October 31 ~~or November 10, as applicable,~~ or on  
13 10 the final day of any extended session required under section  
13 11 441.37 or authorized by the director of revenue, the board of  
13 12 review shall adjourn until ~~May~~ October 1 of the following  
13 13 year. It shall adopt its own rules of procedure, elect its  
13 14 own chairperson from its membership, and keep minutes of its  
13 15 meetings. The board shall appoint a clerk who may be a member  
13 16 of the board or any other qualified person, except the  
13 17 assessor or any member of the assessor's staff. It may be  
13 18 reconvened by the director of revenue. All undisposed  
13 19 protests in its hands on ~~July~~ November 15 in ~~even-numbered~~  
13 20 ~~years and November 20 in odd-numbered years~~ shall be  
13 21 automatically overruled and returned to the assessor together  
13 22 with its other records.

13 23 Within fifteen days following ~~the final~~ adjournment of any  
13 24 regular ~~or special~~ session, the board of review shall submit  
13 25 to the director of revenue, on forms prescribed by the  
13 26 director, a report of any actions taken during that session.

13 27 Sec. 24. Section 441.37, subsection 1, unnumbered  
13 28 paragraph 1, Code Supplement 2005, is amended to read as  
13 29 follows:

13 30 Any property owner or aggrieved taxpayer who is  
13 31 dissatisfied with the owner's or taxpayer's assessment may  
13 32 file a protest against such assessment with the board of  
13 33 review on or after ~~April~~ September 16, to and including ~~May~~  
13 34 October 5, of the year of the assessment. In any county which  
13 35 has been declared to be a disaster area by proper federal  
14 1 authorities after ~~March~~ August 1 and prior to ~~May~~ October 20

14 2 of ~~said~~ the year of assessment, the board of review shall be  
14 3 authorized to remain in session until ~~June~~ November 15 in  
14 4 ~~even-numbered years and November 20 in odd-numbered years and~~  
14 5 the time for filing a protest shall be extended to and include  
14 6 the period from ~~May~~ October 25 to ~~June~~ November 5 of such  
14 7 year. ~~Said~~ The protest shall be in writing and signed by the  
14 8 one protesting or by the protester's duly authorized agent.  
14 9 The taxpayer may have an oral hearing ~~thereon~~ on the protest  
14 10 if a written request therefor in writing for an oral hearing  
14 11 is made at the time of filing the protest. ~~Said~~ The protest  
14 12 must be confined to one or more of the following grounds:

14 13 Sec. 25. NEW SECTION. 441.37A ASSESSMENT REVIEW WITH THE  
14 14 ASSESSOR.

14 15 1. The protest of assessment filed pursuant to section  
14 16 441.37 may include a written request for an assessment review  
14 17 with the local assessor prior to the board of review  
14 18 considering the protest. The assessor shall conduct  
14 19 assessment reviews from September 16 through September 30.

14 20 2. After the assessment review with the local assessor,  
14 21 the aggrieved taxpayer or owner may withdraw the protest filed  
14 22 with the board of review or may proceed with consideration of  
14 23 the protest before the board of review.

14 24 3. If the assessor changes the assessment protested as a  
14 25 result of an assessment review, the assessor shall mail an  
14 26 amended assessment notice to the aggrieved taxpayer or owner  
14 27 and to the board of review. If the assessment is changed but  
14 28 the aggrieved taxpayer or owner elects to proceed with  
14 29 consideration of the protest by the board of review, the  
14 30 assessment considered by the board of review shall be the  
14 31 amended assessment.

14 32 4. Any protests for which an assessment review was  
14 33 requested and not disposed of by September 30 shall be  
14 34 considered by the board of review.

14 35 Sec. 26. Section 441.38, Code Supplement 2005, is amended  
15 1 to read as follows:

15 2 441.38 APPEAL TO DISTRICT COURT.

15 3 1. ~~Appeals in even-numbered years, appeals~~ may be taken  
15 4 from the action of the local board of review with reference to  
15 5 protests of assessment, to the district court of the county in  
15 6 which the board holds its sessions within twenty days after  
15 7 its adjournment or ~~May~~ October 31, whichever date is later.  
15 8 ~~In odd-numbered years, appeals may be taken within twenty days~~  
15 9 ~~after its adjournment or November 10, whichever date is later.~~

15 10 Appeals may be taken from the action of the property  
15 11 assessment appeal board to the district court of the county  
15 12 where the property which is the subject of the appeal is  
15 13 located within twenty days after the letter of disposition of  
15 14 the appeal by the property assessment appeal board is  
15 15 postmarked to the appellant. No new grounds in addition to  
15 16 those set out in the protest to the local board of review as  
15 17 provided in section 441.37, or in addition to those set out in  
15 18 the appeal to the property assessment appeal board, if  
15 19 applicable, can be pleaded, but additional evidence to sustain  
15 20 those grounds may be introduced. The assessor shall have the  
15 21 same right to appeal and in the same manner as an individual  
15 22 taxpayer, public body, or other public officer as provided in  
15 23 section 441.42. Appeals shall be taken by filing a written  
15 24 notice of appeal with the clerk of district court. Filing of  
15 25 the written notice of appeal shall preserve all rights of  
15 26 appeal of the appellant.

15 27 2. Notice of appeal shall be served as an original notice  
15 28 on the chairperson, presiding officer, or clerk of the board  
15 29 of review within twenty days after its adjournment or ~~May~~  
15 30 October 31, whichever is later, and on the secretary of the  
15 31 property assessment appeal board, if applicable.

15 32 Sec. 27. Section 441.47, Code 2005, is amended to read as  
15 33 follows:

15 34 441.47 ADJUSTED VALUATIONS.

15 35 1. The director of revenue on or about August ~~15, 1977~~ 1,  
16 1 2007, and every two years thereafter shall order the  
16 2 equalization of the levels of assessment of each class of  
16 3 property in the several assessing jurisdictions by adding to  
16 4 or deducting from the valuation of each class of property such  
16 5 percentage in each case as may be necessary to bring the same  
16 6 to its taxable value as fixed in this chapter and chapters 427  
16 7 to 443. The director shall adjust to actual value the  
16 8 valuation of any class of property as set out in the abstract  
16 9 of assessment when the valuation is at least five percent  
16 10 above or below actual value as determined by the director.

16 11 2. For purposes of such value adjustments and before such  
16 12 equalization the director shall adopt, in the manner

16 13 prescribed by chapter 17A, such rules as may be necessary to  
16 14 determine the level of assessment for each class of property  
16 15 in each county. The rules shall cover all of the following:  
16 16 ~~(1) a.~~ The proposed use of the assessment=sales ratio  
16 17 study set out in section 421.17, subsection 6+.  
16 18 ~~(2) b. the~~ The proposed use of any statewide income  
16 19 capitalization studies+.  
16 20 ~~(3) c. the~~ The proposed use of other methods that would  
16 21 assist the director in arriving at the accurate level of  
16 22 assessment of each class of property in each assessing  
16 23 jurisdiction.

16 24 3. Each county for which a multicounty assessor is  
16 25 appointed pursuant to section 441.16A is considered a separate  
16 26 assessing jurisdiction for purposes of this section.

16 27 Sec. 28. Section 441.49, unnumbered paragraphs 1, 2, 3,  
16 28 and 5, Code Supplement 2005, are amended to read as follows:

16 29 The director shall keep a record of the review and  
16 30 adjustment proceedings and finish the proceedings on or before  
16 31 ~~October 1~~ August 25 unless for good cause the proceedings  
16 32 cannot be completed by that date. The director shall notify  
16 33 each county auditor by mail of the final action taken at the  
16 34 proceedings and specify any adjustments in the valuations of  
16 35 any class of property to be made effective for the  
17 1 jurisdiction.

17 2 However, an assessing jurisdiction may request the director  
17 3 to permit the use of an alternative method of applying the  
17 4 equalization order to the property values in the assessing  
17 5 jurisdiction, provided that the final valuation shall be  
17 6 equivalent to the director's equalization order. The  
17 7 assessing jurisdiction shall notify the county auditor of the  
17 8 request for the use of an alternative method of applying the  
17 9 equalization order and the director's disposition of the  
17 10 request. The request to use an alternative method of applying  
17 11 the equalization order, including procedures for notifying  
17 12 affected property owners and appealing valuation adjustments,  
17 13 shall be made within ~~ten~~ six days from the date the county  
17 14 auditor receives the equalization order and the valuation  
17 15 adjustments, and appeal procedures shall be completed by  
17 16 ~~November~~ September 30 of the year of the equalization order.  
17 17 Compliance with the provisions of section 441.21 is sufficient  
17 18 grounds for the director to permit the use of an alternative  
17 19 method of applying the equalization order.

17 20 On or before ~~October 15~~ September 14 the county auditor  
17 21 shall cause to be published in official newspapers of general  
17 22 circulation the final equalization order. The publication  
17 23 shall include, in type larger than the remainder of the  
17 24 publication, the following statement: "Assessed values are  
17 25 equalized by the department of revenue every two years. Local  
17 26 taxing authorities determine the final tax levies and may  
17 27 reduce property tax rates to compensate for any increase in  
17 28 valuation due to equalization." Failure to publish the  
17 29 equalization order has no effect upon the validity of the  
17 30 orders.

17 31 The local board of review shall ~~reconvene in special~~  
17 32 ~~session from October 15 to November 15 for the purpose of~~  
17 33 ~~hearing, at its regular session, hear the protests of affected~~  
17 34 ~~property owners or taxpayers within the jurisdiction of the~~  
17 35 ~~board whose valuation of property if adjusted pursuant to the~~  
18 1 ~~equalization order issued by the director of revenue will~~  
18 2 ~~result in a greater value than permitted under section 441.21.~~  
18 3 ~~The board of review shall accept protests only during the~~  
18 4 ~~first ten days following the date the local board of review~~  
18 5 ~~reconvenes. Protests shall be filed with the board from~~  
18 6 ~~September 16 through October 5.~~ The board of review shall

18 7 limit its review to only the timely filed protests. The board  
18 8 of review may adjust all or a part of the percentage increase  
18 9 ordered by the director of revenue by adjusting the actual  
18 10 value of the property under protest to one hundred percent of  
18 11 actual value. Any adjustment so determined by the board of  
18 12 review shall not exceed the percentage increase provided for  
18 13 in the director's equalization order. The determination of  
18 14 the board of review on filed protests is final, subject to  
18 15 appeal to the property assessment appeal board. A final  
18 16 decision by the local board of review, or the property  
18 17 assessment appeal board, if the local board's decision is  
18 18 appealed, is subject to review by the director of revenue for  
18 19 the purpose of determining whether the board's actions  
18 20 substantially altered the equalization order. In making the  
18 21 review, the director has all the powers provided in chapter  
18 22 421, and in exercising the powers the director is not subject  
18 23 to chapter 17A. ~~Not later than fifteen days following the~~



~~18 24 adjournment of the board, the board of review shall submit to~~  
~~18 25 the director of revenue, on forms prescribed by the director,~~  
~~18 26 a report of all actions taken by the board of review during~~  
~~18 27 this session.~~

18 28 Sec. 29. Section 441.50, Code 2005, is amended to read as  
18 29 follows:

18 30 441.50 APPRAISERS EMPLOYED.

18 31 The conference board shall have power to employ appraisers  
18 32 or other technical or expert help to assist in the valuation  
18 33 of property, the cost thereof to be paid in the same manner as  
18 34 other expenses of the assessor's office. ~~The conference board~~  
~~18 35 may certify for levy annually an amount not to exceed forty~~  
~~19 1 and one-half cents per thousand dollars of assessed value of~~  
~~19 2 taxable property for the purpose of establishing a special~~  
~~19 3 appraiser's fund, to be used only for such purposes. From~~  
~~19 4 time to time the conference board may direct the transfer of~~  
~~19 5 any unexpended balance in the special appraiser's fund to the~~  
~~19 6 assessment expense fund.~~

19 7 Sec. 30. Section 441.54, Code 2005, is amended to read as  
19 8 follows:

19 9 441.54 CONSTRUCTION.

19 10 Whenever in the laws of this state, the words "assessor" or  
19 11 "assessors" appear, singly or in combination with other words,  
19 12 they shall be deemed to mean and refer to the multicounty,  
19 13 county, or city assessor, as the case may be.

19 14 Sec. 31. NEW SECTION. 441.58 CONFIDENTIALITY OF CERTAIN  
19 15 INFORMATION REQUIRED == ASSESSOR AND BOARD OF REVIEW.

19 16 The assessor and the board of review shall keep  
19 17 confidential any documents, reports, audits, and other  
19 18 information supplied by a taxpayer or property owner relating  
19 19 to the amount or source of income, profits, losses, or  
19 20 expenditures of the taxpayer or property owner, except that  
19 21 such information shall be made available to the taxpayer or  
19 22 property owner or that person's counsel and to the court in  
19 23 case any appeal is taken.

19 24 Sec. 32. Section 443.22, Code 2005, is amended to read as  
19 25 follows:

19 26 443.22 UNIFORM ASSESSMENTS MANDATORY.

19 27 All assessors and assessing bodies, including the  
19 28 department of revenue having authority over the assessment of  
19 29 property for tax purposes, shall comply with sections 428.4,  
19 30 428.29, 434.15, 438.13, 441.21, and ~~441.45~~ 441.28. The  
19 31 department of revenue having authority over the assessments,  
19 32 shall exercise its powers and perform its duties under section  
19 33 421.17 and other applicable laws so as to require the uniform  
19 34 and consistent application of said section.

19 35 Sec. 33. Sections 433.6, 437.7, and 441.45, Code 2005, are  
20 1 repealed.

20 2 Sec. 34. APPLICABILITY DATE. Except as otherwise provided  
20 3 in this division, this division of this Act applies to  
20 4 assessment years beginning on or after January 1, 2007.

20 5 DIVISION II

20 6 CREDITS, EXEMPTIONS, AND REIMBURSEMENTS

20 7 Sec. 35. Section 25B.7, subsection 2, Code 2005, is  
20 8 amended to read as follows:

20 9 2. The requirement for fully funding and the consequences  
20 10 of not fully funding credits and exemptions under subsection 1  
20 11 also ~~apply to all of the following:~~

~~20 12 a. Homestead tax credit pursuant to sections 425.1 through~~  
~~20 13 425.15.~~

~~20 14 b. Low-income applies to the low-income property tax~~  
~~20 15 credit and elderly and disabled property tax credit pursuant~~  
~~20 16 to sections 425.16 through 425.40.~~

~~20 17 c. Military service property tax credit and exemption~~  
~~20 18 pursuant to chapter 426A, to the extent of six dollars and~~  
~~20 19 ninety-two cents per thousand dollars of assessed value of the~~  
~~20 20 exempt property.~~

20 21 Sec. 36. Section 216.12, subsection 5, Code 2005, is  
20 22 amended to read as follows:

20 23 5. The rental or leasing of a housing accommodation in a  
20 24 building which contains housing accommodations for not more  
20 25 than four families living independently of each other, if the  
20 26 owner resides in one of the housing accommodations for which  
20 27 the owner qualifies for the homestead tax credit under ~~section~~  
~~20 28 425.1 chapter 425.~~

20 29 Sec. 37. Section 331.401, subsection 1, paragraphs e, f,  
20 30 and g, Code 2005, are amended by striking the paragraphs.

20 31 Sec. 38. Section 331.403, subsection 3, Code 2005, is  
20 32 amended by striking the subsection.

20 33 Sec. 39. Section 331.429, subsection 1, paragraphs a and  
20 34 b, Code 2005, are amended to read as follows:

20 35 a. Transfers from the general fund not to exceed in any  
21 1 year the dollar equivalent of a tax of sixteen and seven=  
21 2 eighths cents per thousand dollars of assessed value on all  
21 3 taxable property in the county multiplied by the ratio of  
21 4 current taxes actually collected and apportioned for the  
21 5 general basic levy to the total general basic levy for the  
21 6 current year, and an amount equivalent to the moneys derived  
21 7 by the general fund from ~~military service tax credits under~~  
~~21 8 chapter 426A~~, manufactured or mobile home taxes under section  
21 9 435.22, and delinquent taxes for prior years collected and  
21 10 apportioned to the general basic fund in the current year,  
21 11 multiplied by the ratio of sixteen and seven=eighths cents to  
21 12 three dollars and fifty cents.

21 13 b. Transfers from the rural services fund not to exceed in  
21 14 any year the dollar equivalent of a tax of three dollars and  
21 15 three=eighths cents per thousand dollars of assessed value on  
21 16 all taxable property not located within the corporate limits  
21 17 of a city in the county multiplied by the ratio of current  
21 18 taxes actually collected and apportioned for the rural  
21 19 services basic levy to the total rural services basic levy for  
21 20 the current year and an amount equivalent to the moneys  
21 21 derived by the rural services fund from ~~military service tax~~  
~~21 22 credits under chapter 426A~~, manufactured or mobile home taxes  
21 23 under section 435.22, and delinquent taxes for prior years  
21 24 collected and apportioned to the rural services basic fund in  
21 25 the current year, multiplied by the ratio of three dollars and  
21 26 three=eighths cents to three dollars and ninety=five cents.

21 27 Sec. 40. Section 331.512, subsection 3, Code Supplement  
21 28 2005, is amended to read as follows:

21 29 3. Carry out duties relating to the homestead tax credit  
21 30 and ~~agricultural land tax credit~~ rent reimbursement as  
21 31 provided in ~~chapters chapter 425 and 426~~.

21 32 Sec. 41. Section 331.512, subsection 4, Code Supplement  
21 33 2005, is amended by striking the subsection.

21 34 Sec. 42. Section 331.559, subsection 12, Code 2005, is  
21 35 amended to read as follows:

22 1 12. Carry out duties relating to the administration of the  
22 2 homestead tax credit and rent reimbursement, as provided in  
22 3 ~~sections 425.4, 425.5, 425.7, 425.9, 425.10, and section~~  
22 4 ~~425.25~~.

22 5 Sec. 43. Section 331.559, subsections 13 and 14, Code  
22 6 2005, are amended by striking the subsections.

22 7 Sec. 44. Section 384.22, unnumbered paragraph 2, Code  
22 8 2005, is amended by striking the unnumbered paragraph.

22 9 Sec. 45. Section 404.3, subsection 1, Code 2005, is  
22 10 amended to read as follows:

22 11 1. All qualified real estate assessed as residential  
22 12 property is eligible to receive an exemption from taxation  
22 13 based on the actual value added by the improvements. The  
22 14 exemption is for a period of ten years. The amount of the  
22 15 exemption is equal to a percent of the actual value added by  
22 16 the improvements, determined as follows: One hundred fifteen  
22 17 percent of the value added by the improvements. However, the  
22 18 amount of the actual value added by the improvements which  
22 19 shall be used to compute the exemption shall not exceed twenty  
22 20 thousand dollars ~~and the granting of the exemption shall not~~  
~~22 21 result in the actual value of the qualified real estate being~~  
~~22 22 reduced below the actual value on which the homestead credit~~  
~~22 23 is computed under section 425.1.~~

22 24 Sec. 46. Section 420.207, Code 2005, is amended to read as  
22 25 follows:

22 26 420.207 TAXATION IN GENERAL.

22 27 Sections ~~426A.11 through 426A.15~~, 427.1, 427.8 to 427.11,  
22 28 428.4, 428.20, 428.22, 428.23, 437.1, 437.3, 441.21, 443.1 to  
22 29 443.3, 444.2 to 444.5, and 447.9 to 447.13, so far as  
22 30 applicable, apply to cities acting under special charters.

22 31 Sec. 47. NEW SECTION. 422.11M MILITARY VETERANS TAX  
22 32 CREDIT.

22 33 1. The taxes imposed under this division, less the credits  
22 34 allowed under sections 422.12 and 422.12B, shall be reduced by  
22 35 a military veterans tax credit equal to thirty=five dollars.

23 1 To qualify for the credit, the taxpayer must be an honorably  
23 2 separated, retired, furloughed to a reserve, placed on  
23 3 inactive status, or discharged veteran as defined in section  
23 4 35.1. "Veteran" also includes, without limitation, the  
23 5 members of the United States air force, merchant marine, and  
23 6 coast guard.

23 7 2. In case a person specified in subsection 1 does not  
23 8 claim the tax credit for a tax year, the credit may be claimed  
23 9 by any one of the following persons in the order named:

23 10 a. The spouse, or surviving spouse, of a veteran, as

23 11 described in subsection 1, where they are living together or  
23 12 were living together at the time of the death of the veteran.  
23 13 b. The parent whose spouse is deceased, of a veteran, as  
23 14 described in subsection 1, whether living or deceased, where  
23 15 the parent is, or was at the time of death of the veteran,  
23 16 dependent on the veteran for support.

23 17 c. The minor child, or children, of a deceased veteran, as  
23 18 described in subsection 1.

23 19 3. To receive the military veterans tax credit, the  
23 20 eligible taxpayer must file with the taxpayer's income tax  
23 21 return the military certificate of satisfactory service, order  
23 22 transferring to inactive status, reserve, retirement, order of  
23 23 separation from service, honorable discharge, or a copy of any  
23 24 of these documents of the person claiming or through whom is  
23 25 claimed the exemption.

23 26 4. Any credit in excess of the tax liability shall be  
23 27 refunded.

23 28 Sec. 48. Section 425.16, Code 2005, is amended to read as  
23 29 follows:

23 30 425.16 ~~ADDITIONAL~~ HOMESTEAD TAX CREDIT AND RENT  
23 31 REIMBURSEMENT.

23 32 ~~In addition to the homestead tax credit allowed under~~  
23 33 ~~section 425.1, subsections 1 to 4, persons~~ Persons who own or  
23 34 rent their homesteads and who meet the qualifications provided  
23 35 in this division are eligible for ~~an extraordinary~~ a property  
24 1 tax credit or reimbursement.

24 2 Sec. 49. Section 425.17, Code 2005, is amended by adding  
24 3 the following new subsection:

24 4 NEW SUBSECTION. 1A. "Book", "list", "record", or  
24 5 "schedule" kept by a county auditor, assessor, treasurer,  
24 6 recorder, sheriff, or other county officer means the county  
24 7 system as defined in section 445.1.

24 8 Sec. 50. Section 425.17, subsection 4, Code 2005, is  
24 9 amended to read as follows:

24 10 4. "Homestead" means the dwelling owned or rented and  
24 11 actually used as a home by the claimant during the period  
24 12 specified in subsection 2, and so much of the land surrounding  
24 13 it including one or more contiguous lots or tracts of land, as  
24 14 is reasonably necessary for use of the dwelling as a home, and  
24 15 may consist of a part of a multidwelling or multipurpose  
24 16 building and a part of the land upon which it is built. It  
24 17 does not include personal property except that a manufactured  
24 18 or mobile home may be a homestead. Any dwelling or a part of  
24 19 a multidwelling or multipurpose building which is exempt from  
24 20 taxation does not qualify as a homestead under this division.  
24 21 However, solely for purposes of claimants living in a property  
24 22 and receiving reimbursement for rent constituting property  
24 23 taxes paid immediately before the property becomes tax exempt,  
24 24 and continuing to live in it after it becomes tax exempt, the  
24 25 property shall continue to be classified as a homestead. A  
24 26 homestead must be located in this state. When a person is  
24 27 confined in a nursing home, extended-care facility, or  
24 28 hospital, the person shall be considered as occupying or  
24 29 living in the person's homestead if the person is the fee  
24 30 simple owner of the homestead and the person maintains the  
24 31 homestead and does not lease, rent, or otherwise receive  
24 32 profits from other persons for the use of the homestead.

24 33 Sec. 51. Section 425.17, subsection 8, Code 2005, is  
24 34 amended to read as follows:

24 35 8. "Property taxes due" means property taxes including any  
25 1 special assessments, but exclusive of delinquent interest and  
25 2 charges for services, due on a claimant's homestead in this  
25 3 state, but includes only property taxes for which the claimant  
25 4 is liable and which will actually be paid by the claimant.  
25 5 However, if the claimant is a person whose property taxes have  
25 6 been suspended under sections 427.8 and 427.9, "property taxes  
25 7 due" means property taxes including any special assessments,  
25 8 but exclusive of delinquent interest and charges for services,  
25 9 due on a claimant's homestead in this state, but includes only  
25 10 property taxes for which the claimant is liable and which  
25 11 would have to be paid by the claimant if the payment of the  
25 12 taxes has not been suspended pursuant to sections 427.8 and  
25 13 427.9. "Property taxes due" shall be computed with no  
25 14 deduction for any credit under this division ~~or for any~~

25 15 ~~homestead credit allowed under section 425.1.~~ Each claim  
25 16 shall be based upon the taxes due during the fiscal year next  
25 17 following the base year. If a homestead is owned by two or  
25 18 more persons as joint tenants or tenants in common, and one or  
25 19 more persons are not members of claimant's household,  
25 20 "property taxes due" is that part of property taxes due on the  
25 21 homestead which equals the ownership percentage of the

25 22 claimant and the claimant's household. The county treasurer  
25 23 shall include with the tax receipt a statement that if the  
25 24 owner of the property is eighteen years of age or over, the  
25 25 person may be eligible for the credit allowed under this  
25 26 division. If a homestead is an integral part of a farm, the  
25 27 claimant may use the total property taxes due for the larger  
25 28 unit. If a homestead is an integral part of a multidwelling  
25 29 or multipurpose building the property taxes due for the  
25 30 purpose of this subsection shall be prorated to reflect the  
25 31 portion which the value of the property that the household  
25 32 occupies as its homestead is to the value of the entire  
25 33 structure. For purposes of this subsection, "unit" refers to  
25 34 that parcel of property covered by a single tax statement of  
25 35 which the homestead is a part.

26 1 Sec. 52. Section 425.23, subsection 1, Code 2005, is  
26 2 amended to read as follows:

26 3 1. a. The ~~tentative~~ credit or reimbursement for a  
26 4 claimant described in section 425.17, subsection 2, paragraph  
26 5 "a" and paragraph "b" if no appropriation is made to the fund  
26 6 created in section 425.40 shall be determined in accordance  
26 7 with the following schedule:

	Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
26 8 If the household	
26 9 income is:	
26 10 \$ 0 == 8,499.99 .....	100%
26 11 8,500 == 9,499.99 .....	85
26 12 9,500 == 10,499.99 .....	70
26 13 10,500 == 12,499.99 .....	50
26 14 12,500 == 14,499.99 .....	35
26 15 14,500 == 16,499.99 .....	25

26 16 b. If moneys have been appropriated to the fund created in  
26 17 section 425.40, the ~~tentative~~ credit or reimbursement for a  
26 18 claimant described in section 425.17, subsection 2, paragraph  
26 19 "b", shall be determined as follows:

26 20 (1) If the amount appropriated under section 425.40 plus  
26 21 any supplemental appropriation made for a fiscal year for  
26 22 purposes of this lettered paragraph is at least twenty=seven  
26 23 million dollars, the ~~tentative~~ credit or reimbursement shall  
26 24 be determined in accordance with the following schedule:

	Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
26 25 If the household	
26 26 income is:	
26 27 \$ 0 == 8,499.99 .....	100%
26 28 8,500 == 9,499.99 .....	85
26 29 9,500 == 10,499.99 .....	70
26 30 10,500 == 12,499.99 .....	50
26 31 12,500 == 14,499.99 .....	35
26 32 14,500 == 16,499.99 .....	25

27 3 (2) If the amount appropriated under section 425.40 plus  
27 4 any supplemental appropriation made for a fiscal year for  
27 5 purposes of this lettered paragraph is less than twenty=seven  
27 6 million dollars, the ~~tentative~~ credit or reimbursement shall  
27 7 be determined in accordance with the following schedule:

	Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
27 8 If the household	
27 9 income is:	
27 10 \$ 0 == 8,499.99 .....	50%
27 11 8,500 == 9,499.99 .....	42
27 12 9,500 == 10,499.99 .....	35
27 13 10,500 == 12,499.99 .....	25
27 14 12,500 == 14,499.99 .....	17
27 15 14,500 == 16,499.99 .....	12

27 16 Sec. 53. Section 425.23, subsection 2, Code 2005, is  
27 17 amended by striking the subsection.

27 18 Sec. 54. Section 425.26, subsection 3, Code 2005, is  
27 19 amended by striking the subsection.

27 20 Sec. 55. Section 425A.1, Code 2005, is amended by striking  
27 21 the section and inserting in lieu thereof the following:

27 22 425A.1 FAMILY FARM TAX CREDIT FUND.

27 23 There is created as a permanent fund in the office of the  
27 24 treasurer of state a fund to be known as the family farm tax  
27 25 credit fund, and for the purpose of establishing and  
27 26 maintaining this fund for each fiscal year there is  
27 27 appropriated thereto from funds in the general fund not  
27 28 otherwise appropriated the sum of thirty=nine million one

27 33 hundred thousand dollars. Any balance in the fund on June 30  
27 34 shall revert to the general fund.

27 35 Sec. 56. Section 435.26, subsection 1, paragraph a, Code  
28 1 2005, is amended to read as follows:

28 2 a. A mobile home or manufactured home which is located  
28 3 outside a manufactured home community or mobile home park  
28 4 shall be converted to real estate by being placed on a  
28 5 permanent foundation and shall be assessed for real estate  
28 6 taxes. ~~A home, after conversion to real estate, is eligible~~  
~~28 7 for the homestead tax credit and the military service tax~~  
~~28 8 exemption as provided in sections 425.2 and 426A.11.~~

28 9 Sec. 57. Section 435.26A, subsection 3, Code 2005, is  
28 10 amended to read as follows:

28 11 3. After the surrender of a manufactured home's  
28 12 certificate of title under this section, the manufactured home  
28 13 shall continue to be taxed under section 435.22 and is not  
28 14 eligible for the homestead tax credit ~~or the military service~~  
~~28 15 tax exemption.~~ A foreclosure action on a manufactured home  
28 16 whose title has been surrendered under this section shall be  
28 17 conducted as a real estate foreclosure. A tax lien and its  
28 18 priority shall remain the same on a manufactured home after  
28 19 its certificate of title has been surrendered.

28 20 Sec. 58. Section 441.21, subsection 1, paragraph i,  
28 21 unnumbered paragraph 4, Code Supplement 2005, is amended to  
28 22 read as follows:

28 23 By January 1 of the assessment year following the calendar  
28 24 year in which the plan was submitted to the department, the  
28 25 conference board shall submit a report to the department  
28 26 indicating that the plan of action was followed and compliance  
28 27 has been achieved. The department may conduct a field  
28 28 inspection to ensure that the assessor is in compliance. By  
28 29 January 31, the department shall notify the assessor and the  
28 30 conference board, by restricted certified mail, either that  
28 31 compliance has been achieved or that the assessor remains in  
28 32 noncompliance. If the department determines that the assessor  
28 33 remains in noncompliance, the department shall take steps to  
28 34 withhold up to five percent of the ~~reimbursement~~ payment  
28 35 authorized in section ~~425.1~~ 425.19 until the director of  
29 1 revenue determines that the assessor is in compliance.

29 2 Sec. 59. Section 441.73, subsection 4, Code 2005, is  
29 3 amended to read as follows:

29 4 4. The executive council shall transfer for ~~the fiscal~~  
~~29 5 year beginning July 1, 1992, and each fiscal year thereafter,~~  
29 6 from ~~funds the fund~~ established in ~~sections 425.1 and 426.1~~  
29 7 section 425A.1, an amount necessary to pay litigation  
29 8 expenses. The amount ~~of the fund for transferred and~~  
29 9 deposited into the litigation expense fund each fiscal year  
29 10 shall not exceed seven hundred thousand dollars. The  
29 11 executive council shall determine annually the ~~proportionate~~  
~~29 12 amounts amount~~ to be transferred from the ~~two separate funds~~  
29 13 fund established in section 425A.1. At any time when ~~no~~  
29 14 litigation is not pending or in progress the balance in the  
29 15 litigation expense fund shall not exceed one hundred thousand  
29 16 dollars. Any excess moneys shall be transferred ~~in a~~  
~~29 17 proportionate amount back to the funds from which they were~~  
~~29 18 originally transferred fund established in section 425A.1.~~

29 19 Sec. 60. Section 499A.14, Code 2005, is amended to read as  
29 20 follows:

29 21 499A.14 TAXATION.

29 22 The real estate shall be taxed in the name of the  
29 23 cooperative, and each member of the cooperative shall pay that  
29 24 member's proportionate share of the tax in accordance with the  
29 25 proration formula set forth in the bylaws, and each member  
29 26 occupying an apartment as a residence shall receive that  
29 27 member's proportionate homestead tax credit ~~and each veteran~~  
~~29 28 of the military services of the United States identified as~~  
~~29 29 such under the laws of the state of Iowa or the United States~~  
~~29 30 shall receive as a credit that member's veterans tax benefit~~  
~~29 31 as prescribed by the laws of the state of Iowa.~~

29 32 Sec. 61. Sections 425.2 through 425.10, 425.12, 425.13,  
29 33 425.15, 426A.1 through 426A.9, 426A.14, and 426A.15, Code  
29 34 2005, are repealed. Chapter 426, Code 2005, is repealed.

29 35 Sec. 62. Sections 425.1, 425.11, and 426A.11 through  
30 1 426A.13, Code Supplement 2005, are repealed.

30 2 Sec. 63. INTENT. It is the intent of the general assembly  
30 3 to offset the repeal of the homestead credit in this Act by  
30 4 annually appropriating a commensurate amount to the school  
30 5 foundation program under chapter 257.

30 6 Sec. 64. APPLICABILITY DATE. Except as otherwise provided  
30 7 in this division, this division of this Act applies to fiscal  
30 8 years beginning on or after July 1, 2007.

30 9

DIVISION III

30 10

BUDGETING AND TAXATION

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Sec. 65. Section 331.434, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. The budget shall also show all of the following:

a. The change in property valuations from the preceding year.

b. A comparison of the proposed change in revenues and the amount to be raised from property taxation from the preceding year.

c. The proposed change in property tax rates from the preceding year.

d. The amount the property tax rate would be if the amount to be raised from property taxes in the budget year was equal to the amount raised from property taxes the preceding year.

e. A description of all major changes in revenue and expenditures for the proposed budget.

f. A comparison of the actual taxes levied in the preceding year and the amount of taxes to be levied in the proposed budget on one representative property from each of the classes of agricultural property, commercial property, industrial property, and residential property.

g. The change in total expenditures from the preceding year compared with total expenditures under the proposed budget.

The information to be provided by paragraphs "a" through "c", and "e" through "g", shall be presented as increases or decreases in dollar amounts and percentages. The information required in this subsection shall be presented in the detail and form prescribed by the director of the department of management.

Sec. 66. Section 331.434, subsections 3 and 6, Code 2005, are amended to read as follows:

3. The board shall set a time and place for a public hearing on the budget before the final certification date and shall publish notice of the hearing not less than ten nor more than twenty days prior to the hearing in the county newspapers selected under chapter 349. ~~A summary of the proposed budget, in the form prescribed by the director of the department of management, shall be included in the notice. The notice shall include a summary of the proposed budget which summary shall contain only the information described in subsection 1A, in a form prescribed by the director of the department of~~

~~management.~~ Proof of publication shall be filed with and preserved by the auditor. A levy is not valid unless and until the notice is published and filed. The department of management shall prescribe the form for the public hearing notice for use by counties.

6. The board shall appropriate, by resolution, the amounts deemed necessary for each of the different county officers and departments during the ensuing fiscal year. Increases or decreases in these appropriations do not require a budget amendment, but may be provided by resolution at a regular meeting of the board, as long as each class of proposed expenditures contained in the certified budget summary

~~published under subsection 3 of this section~~ is not increased.

However, decreases in appropriations for a county officer or department of more than ten percent or five thousand dollars, whichever is greater, shall not be effective unless the board sets a time and place for a public hearing on the proposed decrease and publishes notice of the hearing not less than ten nor more than twenty days prior to the hearing in the county newspapers selected under chapter 349.

Sec. 67. Section 384.16, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. The budget shall also show all of the following:

a. The change in property valuations from the preceding year.

b. A comparison of the proposed change in revenues and the amount to be raised from property taxation from the preceding year.

c. The proposed change in property tax rates from the preceding year.

d. The amount the property tax rate would be if the amount to be raised from property taxes in the budget year was equal to the amount raised from property taxes the preceding year.

e. A description of all major changes in revenue and expenditures for the proposed budget.

f. A comparison of the actual taxes levied in the

32 20 preceding year and the amount of taxes to be levied in the  
32 21 proposed budget on one representative property from each of  
32 22 the classes of agricultural property, commercial property,  
32 23 industrial property, and residential property.

32 24 g. The change in total expenditures from the preceding  
32 25 year compared with total expenditures under the proposed  
32 26 budget.

32 27 The information to be provided by paragraphs "a" through  
32 28 "c", and "e" through "g", shall be presented as increases or  
32 29 decreases in dollar amounts and percentages. The information  
32 30 required in this subsection shall be presented in the detail  
32 31 and form prescribed by the director of the department of  
32 32 management.

32 33 Sec. 68. Section 384.16, subsection 3, Code Supplement  
32 34 2005, is amended to read as follows:

32 35 3. The council shall set a time and place for public  
33 1 hearing on the budget before the final certification date and  
33 2 shall publish notice of the hearing not less than ten nor more  
33 3 than twenty days before the hearing in a newspaper published  
33 4 at least once weekly and having general circulation in the  
33 5 city. However, if the city has a population of two hundred or  
33 6 less, publication may be made by posting in three public  
33 7 places in the city. ~~A summary of the proposed budget shall be~~  
~~33 8 included in the notice. The notice shall include a summary of~~  
~~33 9 the proposed budget which summary shall contain only the~~  
~~33 10 information described in subsection 1A, in a form prescribed~~  
~~33 11 by the director of the department of management.~~ Proof of

33 12 publication must be filed with the county auditor. The  
33 13 department of management shall prescribe the form for the  
33 14 public hearing notice for use by cities.

33 15 Sec. 69. APPLICABILITY DATE. This division of this Act  
33 16 takes effect July 1, 2007, and applies to fiscal years  
33 17 beginning on or after July 1, 2008.

#### 33 18 DIVISION IV

#### 33 19 MAXIMUM PROPERTY TAX DOLLARS

33 20 Sec. 70. Section 331.423, Code 2005, is amended by  
33 21 striking the section and inserting in lieu thereof the  
33 22 following:

33 23 331.423 PROPERTY TAX DOLLARS == MAXIMUMS.

33 24 1. Annually, the board shall determine separate property  
33 25 tax levy limits to pay for general county services and rural  
33 26 county services in accordance with this section. The property  
33 27 tax levies separately certified for general county services  
33 28 and rural county services in accordance with section 331.434  
33 29 shall not exceed the amount determined under this section.

33 30 2. For purposes of this section:

33 31 a. "Annual price index" means the sum of one plus the  
33 32 change, computed to four decimal places, between the  
33 33 preliminary price index for the third quarter of the calendar  
33 34 year preceding the calendar year in which the budget year  
33 35 begins and the revised price index for the third quarter of  
34 1 the previous calendar year. The price index used shall be the  
34 2 state and local government chain-type price index used in the  
34 3 quantity and price indexes for gross domestic product as  
34 4 published by the United States department of commerce.

34 5 b. "Boundary adjustment" means annexation, severance,  
34 6 incorporation, or discontinuance as those terms are defined in  
34 7 section 368.1.

34 8 c. "Budget year" is the fiscal year beginning during the  
34 9 calendar year in which a budget is certified.

34 10 d. "Current fiscal year" is the fiscal year ending during  
34 11 the calendar year in which a budget is certified.

34 12 e. "Net new valuation taxes" means the amount of property  
34 13 tax dollars equal to the certified general rate for the  
34 14 current fiscal year for purposes of the general fund, or the  
34 15 certified rural rate for the current fiscal year for purposes  
34 16 of the rural services fund, times the increase from the  
34 17 current fiscal year to the budget year in taxable valuation  
34 18 due to the following:

34 19 (1) New construction.

34 20 (2) Additions or improvements to existing structures.

34 21 (3) Remodeling of existing structures for which a building  
34 22 permit is required.

34 23 (4) Net boundary adjustment.

34 24 (5) A municipality no longer dividing tax revenues in an  
34 25 urban renewal area as provided in section 403.19, to the  
34 26 extent that the incremental valuation released is due to new  
34 27 construction or revaluation on property newly constructed,  
34 28 additions or improvements to existing property, net boundary  
34 29 adjustment, or expiration of tax abatements, all occurring  
34 30 after the division of revenue begins.

34 31 (6) That portion of taxable property located in an urban  
34 32 revitalization area on which an exemption was allowed and such  
34 33 exemption has expired.

34 34 3. a. For the fiscal year beginning July 1, 2008, and  
34 35 subsequent fiscal years, the maximum amount of property tax  
35 1 dollars which may be certified for levy by a county for  
35 2 general county services and rural county services shall be the  
35 3 maximum property tax dollars calculated under paragraphs "b"  
35 4 and "c", respectively.

35 5 b. The maximum property tax dollars that may be levied for  
35 6 general county services is an amount equal to the sum of the  
35 7 following:

35 8 (1) The annual price index times the current fiscal year's  
35 9 maximum property tax dollars for general county services.

35 10 (2) The amount of net new valuation taxes in the county.

35 11 c. The maximum property tax dollars that may be levied for  
35 12 rural county services is an amount equal to the sum of the  
35 13 following:

35 14 (1) The annual price index times the current fiscal year's  
35 15 maximum property tax dollars for rural county services.

35 16 (2) The amount of net new valuation taxes in the  
35 17 unincorporated area of the county.

35 18 4. a. For purposes of calculating maximum property tax  
35 19 dollars for general county services for the fiscal year  
35 20 beginning July 1, 2008, only, the term "current fiscal year's  
35 21 maximum property tax dollars" shall mean the greater of the  
35 22 following:

35 23 (1) The actual taxes certified for the general basic fund  
35 24 for either the fiscal year beginning July 1, 2006, or the  
35 25 fiscal year beginning July 1, 2007, as selected by the county.

35 26 (2) The taxes that could have been certified for the  
35 27 general basic fund for either the fiscal year beginning July  
35 28 1, 2006, or the fiscal year beginning July 1, 2007, if the  
35 29 county had levied a rate of three dollars and fifty cents per  
35 30 one thousand dollars of valuation, as selected by the county.

35 31 b. For purposes of calculating maximum property tax  
35 32 dollars for rural county services for the fiscal year  
35 33 beginning July 1, 2008, only, the term "current fiscal year's  
35 34 maximum property tax dollars" shall mean the greater of the  
35 35 following:

36 1 (1) The actual taxes certified for the rural basic fund  
36 2 for either the fiscal year beginning July 1, 2006, or the  
36 3 fiscal year beginning July 1, 2007, as selected by the county.

36 4 (2) The taxes that could have been certified for the rural  
36 5 basic fund for either the fiscal year beginning July 1, 2006,  
36 6 or the fiscal year beginning July 1, 2007, if the county had  
36 7 levied a rate of three dollars and ninety-five cents per one  
36 8 thousand dollars of valuation, as selected by the county.

36 9 c. Each county shall notify the department of management  
36 10 by August 1, 2007, whether it will use the fiscal year  
36 11 beginning July 1, 2006, or the fiscal year beginning July 1,  
36 12 2007, for the calculation under this subsection. If a county  
36 13 does not notify the department by August 1, 2007, the fiscal  
36 14 year used for the calculation under this subsection shall be  
36 15 the fiscal year beginning July 1, 2007.

36 16 5. Property taxes certified for deposit in the county  
36 17 general and rural supplemental funds in section 331.424, the  
36 18 mental health, mental retardation, and developmental  
36 19 disabilities services fund in section 331.424A, the cemetery  
36 20 fund in section 331.424B, the emergency services fund in  
36 21 section 331.424C, the debt service fund in section 331.430,  
36 22 any capital projects fund established by the county for  
36 23 deposit of bond, loan, or note proceeds, and any temporary  
36 24 increase approved pursuant to section 331.426A, are not  
36 25 included in the maximum amount of property tax dollars that  
36 26 may be certified for a budget year under subsection 3.

36 27 6. The department of management, in consultation with the  
36 28 county finance committee, shall adopt rules to administer this  
36 29 section. The department shall prescribe forms to be used by  
36 30 counties when making calculations required by this section.

36 31 Sec. 71. NEW SECTION. 331.426A AUTHORITY TO LEVY BEYOND  
36 32 MAXIMUM PROPERTY TAX DOLLARS.

36 33 1. The board may certify levies in addition to the maximum  
36 34 amount of property tax dollars that may be levied, as computed  
36 35 under section 331.423, for the general basic fund and the  
37 1 rural basic fund as provided in this section.

37 2 The board shall publish notice of a public hearing on the  
37 3 additional levy proposal in the manner provided in section  
37 4 331.305. The public hearing shall be held at least thirty  
37 5 days prior to the budget certification date. The hearing  
37 6 shall not be held in conjunction with the hearing on the



37 7 budget provided for in section 331.434.

37 8 The notice shall state the date, time, and place of the  
37 9 public hearing on the proposal. The notice shall state the  
37 10 maximum property tax dollars allowed for the budget year and  
37 11 shall state the amount of the addition to the maximum. The  
37 12 amount of the addition shall be stated as a dollar amount and  
37 13 a percentage of the maximum property tax dollars allowed for  
37 14 the first budget year to which it will be applied. The notice  
37 15 shall also state whether the addition to the maximum amount of  
37 16 property tax dollars is a permanent addition or whether it is  
37 17 for a set number of fiscal years.

37 18 If within ten days of the date the public hearing was  
37 19 conducted, a petition is filed with the county commissioner of  
37 20 elections asking that the proposal be submitted to the  
37 21 registered voters of the county, the board shall, by  
37 22 resolution, either abandon the proposal or direct the county  
37 23 commissioner of elections to call a special election on the  
37 24 proposal to be held no later than April 30 of the budget year.  
37 25 If the additional amount applies to the general basic fund,  
37 26 the petition must contain the signatures of eligible electors  
37 27 of the county equal in number to at least ten percent of the  
37 28 votes cast in the county for the office of president of the  
37 29 United States or governor at the preceding general election.  
37 30 If the additional amount applies to the rural basic fund, the  
37 31 petition must contain the signatures of eligible electors  
37 32 residing in the unincorporated area of the county equal in  
37 33 number to at least ten percent of the votes cast in the  
37 34 unincorporated area of the county for the office of president  
37 35 of the United States or governor at the preceding general  
38 1 election.

38 2 2. The special election is subject to the following:

38 3 a. The board must give at least thirty days' notice to the  
38 4 county commissioner of elections that the special election is  
38 5 to be held.

38 6 b. The special election shall be conducted by the county  
38 7 commissioner of elections in accordance with law.

38 8 c. If the proposal is to temporarily exceed the maximum  
38 9 dollars amount, the proposition to be submitted shall be  
38 10 substantially in the following form:

38 11 "Vote "yes" or "no" on the following question: Shall the  
38 12 county of \_\_\_\_\_ levy for an additional \$\_\_\_\_\_ each year  
38 13 for \_\_\_\_ years beginning July 1, \_\_\_\_\_, in excess of the  
38 14 statutory limits otherwise applicable for the (general county  
38 15 services or rural services) fund for the purposes of  
38 16 \_\_\_\_\_?"

38 17 If the proposal is to permanently increase the maximum  
38 18 property tax dollars, the proposition to be submitted shall be  
38 19 substantially in the following form:

38 20 "Vote "yes" or "no" on the following question: Shall the  
38 21 county of \_\_\_\_\_ permanently increase its maximum property  
38 22 tax dollars by adding \$\_\_\_\_\_ to its maximum for the fiscal  
38 23 year beginning July 1, \_\_\_\_\_, and retaining that amount,  
38 24 adjusted by the inflation index allowed by statute, for all  
38 25 subsequent fiscal years, in excess of the statutory limits  
38 26 otherwise applicable for the (general county services or rural  
38 27 services) fund for the purposes of \_\_\_\_\_?"

38 28 d. The canvass shall be held beginning at one p.m. on the  
38 29 second day which is not a holiday following the special  
38 30 election.

38 31 e. Notice of the special election shall be published at  
38 32 least once in a newspaper as specified in section 331.305  
38 33 prior to the date of the special election. The notice shall  
38 34 appear as early as practicable after the board has directed  
38 35 that the proposition be submitted to the voters.

39 1 f. Registered voters in the county may vote on the  
39 2 proposition to increase property taxes for the general fund in  
39 3 excess of the statutory limit. Registered voters residing  
39 4 outside the corporate limits of a city within the county may  
39 5 vote on the proposition to increase property taxes for the  
39 6 rural services fund in excess of the statutory limit.

39 7 3. If a majority of those voting on the proposal approves  
39 8 the proposal, the board may certify the additional dollars for  
39 9 the budget years approved at the election.

39 10 If the proposal approved by the voters was for a permanent  
39 11 addition, the amount of additional dollars approved for the  
39 12 first budget year to which the addition applies shall be added  
39 13 to the "current fiscal year's maximum property tax dollars"  
39 14 for that budget year when computing maximum property tax  
39 15 dollars under section 331.423. If the proposal approved by  
39 16 the voters was for a temporary addition, the amount of  
39 17 additional dollars approved shall be added after the

39 18 computation under section 331.423.

39 19 4. If a county's budget is protested pursuant to section  
39 20 331.436, and for the same budget year, an election has been  
39 21 petitioned for under this section, the hearing on the budget  
39 22 protest shall not be held by the state appeal board until  
39 23 after the results of the election have been certified by the  
39 24 county commissioner of elections. If a majority of those  
39 25 voting on the proposal votes in favor of the proposal, the  
39 26 budget protest filed for that budget year shall be deemed  
39 27 void. If the proposal is rejected by the voters, the state  
39 28 appeal board may proceed with the hearing on the budget  
39 29 protest.

39 30 Sec. 72. Section 384.1, Code 2005, is amended by striking  
39 31 the section and inserting in lieu thereof the following:

39 32 384.1 PROPERTY TAX DOLLARS == MAXIMUMS.

39 33 1. A city shall certify taxes to be levied by the county  
39 34 on all taxable property within the city limits, for all city  
39 35 government purposes. Annually, the city council may certify  
40 1 basic levies for deposit in the general fund, subject to the  
40 2 limitation on property tax dollars provided in this section.

40 3 2. For purposes of this section:

40 4 a. "Annual price index" means the sum of one plus the  
40 5 change, computed to four decimal places, between the  
40 6 preliminary price index for the third quarter of the calendar  
40 7 year preceding the calendar year in which the budget year  
40 8 begins and the revised price index for the third quarter of  
40 9 the previous calendar year. The price index used shall be the  
40 10 state and local government chain-type price index used in the  
40 11 quantity and price indexes for gross domestic product as  
40 12 published by the United States department of commerce.

40 13 b. "Boundary adjustment" means annexation, severance,  
40 14 incorporation, or discontinuance as those terms are defined in  
40 15 section 368.1.

40 16 c. "Budget year" is the fiscal year beginning during the  
40 17 calendar year in which a budget is certified.

40 18 d. "Current fiscal year" is the fiscal year ending during  
40 19 the calendar year in which a budget is certified.

40 20 e. "Net new valuation taxes" means the amount of property  
40 21 tax dollars equal to the certified general rate for the  
40 22 current fiscal year for purposes of the city general fund  
40 23 times the increase from the current fiscal year to the budget  
40 24 year in taxable valuation due to the following:

40 25 (1) New construction.

40 26 (2) Additions or improvements to existing structures.

40 27 (3) Remodeling of existing structures for which a building  
40 28 permit is required.

40 29 (4) Net boundary adjustment.

40 30 (5) A municipality no longer dividing tax revenues in an  
40 31 urban renewal area as provided in section 403.19, to the  
40 32 extent that the incremental valuation released is due to new  
40 33 construction or revaluation on property newly constructed,  
40 34 additions or improvements to existing property, net boundary  
40 35 adjustment, or expiration of tax abatements, all occurring

41 1 after the division of revenue begins.  
41 2 (6) That portion of taxable property located in an urban  
41 3 revitalization area on which an exemption was allowed and such  
41 4 exemption has expired.

41 5 3. a. For the fiscal year beginning July 1, 2008, and  
41 6 subsequent fiscal years, the maximum amount of property tax  
41 7 dollars which may be certified by a city for the general fund  
41 8 shall be the maximum property tax dollars calculated under  
41 9 paragraph "b".

41 10 b. The maximum property tax dollars that may be levied for  
41 11 deposit in the general fund is an amount equal to the sum of  
41 12 the following:

41 13 (1) The annual price index times the current fiscal year's  
41 14 maximum property tax dollars for the general fund.

41 15 (2) The amount of net new valuation taxes.

41 16 4. a. For purposes of calculating maximum property tax  
41 17 dollars for the city general fund for the fiscal year  
41 18 beginning July 1, 2008, only, the term "current fiscal year's  
41 19 maximum property tax dollars" shall mean the greater of the  
41 20 following:

41 21 (1) The actual taxes certified for the general fund for  
41 22 either the fiscal year beginning July 1, 2006, or the fiscal  
41 23 year beginning July 1, 2007, as selected by the city.

41 24 (2) The taxes that could have been certified for the  
41 25 general fund for either the fiscal year beginning July 1,  
41 26 2006, or the fiscal year beginning July 1, 2007, as selected  
41 27 by the city, if the city had levied the sum of a rate of eight  
41 28 dollars and ten cents per one thousand dollars of valuation

41 29 and the maximum rate allowed under section 384.8.  
41 30 b. Each city shall notify the department of management by  
41 31 August 1, 2007, whether it will use the fiscal year beginning  
41 32 July 1, 2006, or the fiscal year beginning July 1, 2007, for  
41 33 the calculation under this subsection. If a city does not  
41 34 notify the department by August 1, 2007, the fiscal year used  
41 35 for the calculation under this subsection shall be the fiscal  
42 1 year beginning July 1, 2007.

42 2 5. Property taxes certified for deposit in the general  
42 3 fund do not include property taxes certified for the debt  
42 4 service fund in section 384.4; trust and agency funds in  
42 5 section 384.6; the capital improvements reserve fund in  
42 6 section 384.7; the emergency fund in section 384.8, except as  
42 7 provided in subsection 4; any capital projects fund  
42 8 established by the city for deposit of bond, loan, or note  
42 9 proceeds; property taxes collected from a voted levy in  
42 10 section 384.12; and property taxes levied under section  
42 11 384.12, subsection 18; and any temporary increase approved  
42 12 pursuant to section 384.12A. Such taxes certified for these  
42 13 funds and for these purposes shall not be included in the  
42 14 maximum amount of property tax dollars that may be certified  
42 15 for a budget year under subsection 3.

42 16 6. Notwithstanding the maximum amount of taxes a city may  
42 17 certify for levy, the tax certified for levy by a city on  
42 18 tracts of land and improvements on the tracts of land used and  
42 19 assessed for agricultural or horticultural purposes shall not  
42 20 exceed three dollars and three-eighths cents per thousand  
42 21 dollars of assessed value in any year. Improvements located  
42 22 on such tracts of land and not used for agricultural or  
42 23 horticultural purposes and all residential dwellings are  
42 24 subject to the same rate of tax certified for levy by the city  
42 25 on all other taxable property within the city.

42 26 7. The department of management, in consultation with the  
42 27 city finance committee, shall adopt rules to administer this  
42 28 section. The department shall prescribe forms to be used by  
42 29 cities when making calculations required by this section.

42 30 Sec. 73. NEW SECTION. 384.12A AUTHORITY TO LEVY BEYOND  
42 31 MAXIMUM PROPERTY TAX DOLLARS.

42 32 1. The city council may certify levies in addition to the  
42 33 maximum amount of property tax dollars that may be levied, as  
42 34 computed under section 384.1, for the city general fund as  
42 35 provided in this section.

43 1 The city council shall publish notice of a public hearing  
43 2 on the additional levy proposal in the manner provided in  
43 3 section 362.3. The public hearing shall be held at least  
43 4 thirty days prior to the budget certification date. The  
43 5 hearing shall not be held in conjunction with the hearing on  
43 6 the budget provided for in section 384.16.

43 7 The notice shall state the date, time, and place of the  
43 8 public hearing on the proposal. The notice shall state the  
43 9 maximum property tax dollars allowed for the budget year and  
43 10 shall state the amount of the addition to the maximum. The  
43 11 amount of the addition shall be stated as a dollar amount and  
43 12 a percentage of the maximum property tax dollars allowed for  
43 13 the first budget year to which it will be applied. The notice  
43 14 shall also state whether the addition to the maximum amount of  
43 15 property tax dollars is a permanent addition or whether it is  
43 16 for a set number of fiscal years.

43 17 If within ten days of the date the public hearing was  
43 18 conducted, a petition is filed with the city clerk asking that  
43 19 the proposal be submitted to the registered voters of the  
43 20 city, the city council shall, by resolution, either abandon  
43 21 the proposal or direct the county commissioner of elections to  
43 22 call a special election on the proposal to be held no later  
43 23 than April 30 of the budget year. The petition must contain  
43 24 the signatures of eligible electors of the city equal in  
43 25 number to at least ten percent of the votes cast in the city  
43 26 for the office of president of the United States or governor  
43 27 at the last preceding general election.

43 28 2. The special election is subject to the following:

43 29 a. The city council must give at least thirty days' notice  
43 30 to the county commissioner of elections that the special  
43 31 election is to be held.

43 32 b. The special election shall be conducted by the county  
43 33 commissioner of elections in accordance with law.

43 34 c. If the proposal is to temporarily exceed the maximum  
43 35 dollars amount, the proposition to be submitted shall be  
44 1 substantially in the following form:

44 2 "Vote "yes" or "no" on the following:

44 3 Shall the city of \_\_\_\_\_ levy for an additional \$ \_\_\_\_\_  
44 4 each year for \_\_\_\_\_ years beginning next July 1, \_\_\_\_\_, in excess

44 5 of the statutory limits otherwise applicable for the city  
44 6 general fund for the purposes of \_\_\_\_\_?"  
44 7 If the proposal is to permanently increase the maximum  
44 8 property tax dollars, the proposition to be submitted shall be  
44 9 substantially in the following form:  
44 10 "Vote "yes" or "no" on the following question: Shall the  
44 11 city of \_\_\_\_\_ permanently increase its maximum property tax  
44 12 dollars by adding \$\_\_\_\_\_ to its maximum for the fiscal year  
44 13 beginning July 1, \_\_\_\_\_, and retaining that amount, adjusted  
44 14 by the inflation index allowed by statute, for all subsequent  
44 15 fiscal years, in excess of the statutory limits otherwise  
44 16 applicable for the city general fund for the purposes of  
44 17 \_\_\_\_\_?"

44 18 d. The canvass shall be held beginning at one p.m. on the  
44 19 second day which is not a holiday following the special  
44 20 election.

44 21 e. Notice of the special election shall be published at  
44 22 least once in a newspaper as specified in section 362.3 prior  
44 23 to the date of the special election. The notice shall appear  
44 24 as early as practicable after the city council has directed  
44 25 that the proposition be submitted to the voters.

44 26 3. If a majority of those voting on the proposal approves  
44 27 the proposal, the city council may certify the additional  
44 28 dollars for the budget years approved at the election.

44 29 If the proposal approved by the voters was for a permanent  
44 30 addition, the amount of additional dollars approved for the  
44 31 first budget year to which the addition applies shall be added  
44 32 to the "current fiscal year's maximum property tax dollars"  
44 33 for that budget year when computing maximum property tax  
44 34 dollars under section 384.1. If the proposal approved by the  
44 35 voters was for a temporary addition, the amount of additional  
45 1 dollars approved shall be added after the computation under  
45 2 section 384.1.

45 3 4. If a city's budget is protested pursuant to section  
45 4 384.19, and for the same budget year, an election has been  
45 5 petitioned for under this section, the hearing on the budget  
45 6 protest shall not be held by the state appeal board until  
45 7 after the results of the election have been certified by the  
45 8 county commissioner of elections. If a majority of those  
45 9 voting on the proposal votes in favor of the proposal, the  
45 10 budget protest filed for that budget year shall be deemed  
45 11 void. If the proposal is rejected by the voters, the state  
45 12 appeal board may proceed with the hearing on the budget  
45 13 protest.

#### 45 14 CONFORMING AMENDMENTS

45 15 Sec. 74. Section 24.48, unnumbered paragraphs 4, 5, and 7,  
45 16 Code 2005, are amended by striking the unnumbered paragraphs.

45 17 Sec. 75. Section 24.48, unnumbered paragraph 6, Code 2005,  
45 18 is amended to read as follows:

45 19 For purposes of this section only, "political subdivision"  
45 20 means a ~~city~~, school district, or any other special purpose  
45 21 district which certifies its budget to the county auditor and  
45 22 derives funds from a property tax levied against taxable  
45 23 property situated within the political subdivision.

45 24 Sec. 76. Section 331.263, subsection 2, Code 2005, is  
45 25 amended to read as follows:

45 26 2. The governing body of the community commonwealth shall  
45 27 have the authority to levy county taxes and shall have the  
45 28 authority to levy city taxes to the extent the city tax levy  
45 29 authority is transferred by the charter to the community  
45 30 commonwealth. A city participating in the community  
45 31 commonwealth shall transfer a portion of the city's tax levy  
45 32 authorized under section 384.1 or 384.12, whichever is  
45 33 applicable, to the governing body of the community  
45 34 commonwealth. The maximum ~~rates~~ amount of taxes authorized to  
45 35 be levied under ~~sections~~ section 384.1 and the maximum rates  
46 1 of taxes authorized to be levied under section 384.12 by a

46 2 city participating in the community commonwealth shall be  
46 3 reduced by an amount equal to the rates of the same or similar  
46 4 taxes levied in the city by the governing body of the  
46 5 community commonwealth.

46 6 Sec. 77. Section 331.325, Code Supplement 2005, is amended  
46 7 to read as follows:

46 8 331.325 CONTROL AND MAINTENANCE OF PIONEER CEMETERIES ==  
46 9 CEMETERY COMMISSION.

46 10 1. As used in this section, "pioneer cemetery" means a  
46 11 cemetery where there have been six or fewer burials in the  
46 12 preceding fifty years.

46 13 2. Each county board of supervisors may adopt an ordinance  
46 14 assuming jurisdiction and control of pioneer cemeteries in the  
46 15 county. The board shall exercise the powers and duties of

46 16 township trustees relating to the maintenance and repair of  
46 17 cemeteries in the county as provided in sections 359.28  
46 18 through 359.40 except that the board shall not certify a tax  
46 19 levy pursuant to section 359.30 or 359.33 and except that the  
46 20 maintenance and repair of all cemeteries under the  
46 21 jurisdiction of the county including pioneer cemeteries shall  
46 22 be paid from the ~~county general cemetery~~ fund. The  
46 23 maintenance and improvement program for a pioneer cemetery may  
46 24 include restoration and management of native prairie grasses  
46 25 and wildflowers.

46 26 3. In lieu of management of the cemeteries, the board of  
46 27 supervisors may create, by ordinance, a cemetery commission to  
46 28 assume jurisdiction and management of the pioneer cemeteries  
46 29 in the county. The ordinance shall delineate the number of  
46 30 commissioners, the appointing authority, the term of office,  
46 31 officers, employees, organizational matters, rules of  
46 32 procedure, compensation and expenses, and other matters deemed  
46 33 pertinent by the board. The board may delegate any power and  
46 34 duties relating to cemeteries which may otherwise be exercised  
46 35 by township trustees pursuant to sections 359.28 through  
47 1 359.40 to the cemetery commission except the commission shall  
47 2 not certify a tax levy pursuant to section 359.30 or 359.33  
47 3 and except that the expenses of the cemetery commission shall  
47 4 be paid from the ~~county general cemetery~~ fund.

47 5 4. Notwithstanding sections 359.30 and 359.33, the costs  
47 6 of management, repair, and maintenance of pioneer cemeteries  
47 7 shall be paid from the ~~county general cemetery~~ fund.

47 8 Sec. 78. Section 331.422, unnumbered paragraph 1, Code  
47 9 2005, is amended to read as follows:

47 10 Subject to this section and sections 331.423 through  
47 11 ~~331.426~~ 331.426A or as otherwise provided by state law, the  
47 12 board of each county shall certify property taxes annually at  
47 13 its March session to be levied for county purposes as follows:

47 14 Sec. 79. Section 331.424A, subsection 4, Code Supplement  
47 15 2005, is amended to read as follows:

47 16 4. For the fiscal year beginning July 1, 1996, and for  
47 17 each subsequent fiscal year, the county shall certify a levy  
47 18 for payment of services. For each fiscal year, county  
47 19 revenues from taxes imposed by the county credited to the  
47 20 services fund shall not exceed an amount equal to the amount  
47 21 of base year expenditures for services as defined in section  
47 22 331.438, less the amount of property tax relief to be received  
47 23 pursuant to section 426B.2, in the fiscal year for which the  
47 24 budget is certified. The county auditor and the board of  
47 25 supervisors shall reduce the amount of the levy certified for  
47 26 the services fund by the amount of property tax relief to be  
47 27 received. A levy certified under this section is not subject  
47 28 to ~~the any appeal provisions of section 331.426 or to any~~  
47 29 ~~other provision in law authorizing a county to exceed,~~  
47 30 increase, or appeal a property tax levy limit.

47 31 Sec. 80. Section 331.424B, Code 2005, is amended to read  
47 32 as follows:

47 33 331.424B CEMETERY LEVY.

47 34 The board may levy annually a tax on all taxable property  
47 35 in the county not to exceed six and three-fourths cents per  
48 1 thousand dollars of the assessed value of all taxable property  
48 2 in the county to repair and maintain all cemeteries under the  
48 3 jurisdiction of the board including pioneer cemeteries and to  
48 4 pay other expenses of the board or the cemetery commission as  
48 5 provided in section 331.325. The proceeds of the tax levy  
48 6 shall be credited to the ~~county general cemetery~~ fund.

48 7 Sec. 81. Section 331.434, unnumbered paragraph 1, Code  
48 8 2005, is amended to read as follows:

48 9 Annually, the board of each county, subject to sections  
48 10 331.423 through ~~331.426~~ 331.426A and other applicable state  
48 11 law, shall prepare and adopt a budget, certify taxes, and  
48 12 provide appropriations as follows:

48 13 Sec. 82. Section 331.435, unnumbered paragraph 1, Code  
48 14 2005, is amended to read as follows:

48 15 The board may amend the adopted county budget, subject to  
48 16 sections 331.423 through ~~331.426~~ 331.426A and other applicable  
48 17 state law, to permit increases in any class of proposed  
48 18 expenditures contained in the certified budget summary  
48 19 ~~published under section 331.434, subsection 3.~~

48 20 Sec. 83. Section 357B.8, subsection 2, paragraph c, Code  
48 21 2005, is amended to read as follows:

48 22 c. The benefited fire district shall certify the tax levy  
48 23 as provided in this subsection only after agreement granted by  
48 24 resolution of the city council. The amount of the tax rate  
48 25 levied under this subsection shall reduce by an equal amount  
48 26 the maximum tax levy amount of taxes authorized for the

~~48 27 general fund of that city levy~~ under section 384.1. If the  
48 28 district levies directly against property within a city to  
48 29 provide fire protection for that city, the city shall not be  
48 30 responsible for providing fire protection as provided in  
48 31 section 364.16, and shall have no liability for the method,  
48 32 manner, or means in which the district provides the fire  
48 33 protection.

48 34 Sec. 84. Section 373.10, Code 2005, is amended to read as  
48 35 follows:

49 1 373.10 TAXING AUTHORITY.

49 2 The metropolitan council shall have the authority to levy  
49 3 city taxes to the extent the city tax levy authority is  
49 4 transferred by the charter to the metropolitan council. A  
49 5 member city shall transfer a portion of the city's tax levy  
49 6 authorized under section 384.1 or 384.12, whichever is  
49 7 applicable, to the metropolitan council. The maximum ~~rates~~  
49 8 ~~amount~~ of taxes authorized to be levied under ~~sections~~ section  
49 9 384.1 and the maximum rates of taxes authorized to be levied  
49 10 under section 384.12 by a member city shall be reduced by an  
49 11 amount equal to the rates of the same or similar taxes levied  
49 12 in the city by the metropolitan council.

49 13 Sec. 85. Section 384.12, subsection 20, Code 2005, is  
49 14 amended by striking the subsection.

49 15 Sec. 86. Section 386.8, Code 2005, is amended to read as  
49 16 follows:

49 17 386.8 OPERATION TAX.

49 18 A city may establish a self-supported improvement district  
49 19 operation fund, and may certify taxes not to exceed the rate  
49 20 limitation as established in the ordinance creating the  
49 21 district, or any amendment thereto, each year to be levied for  
49 22 the fund against all of the property in the district, for the  
49 23 purpose of paying the administrative expenses of the district,  
49 24 which may include but are not limited to administrative  
49 25 personnel salaries, a separate administrative office, planning  
49 26 costs including consultation fees, engineering fees,  
49 27 architectural fees, and legal fees and all other expenses  
49 28 reasonably associated with the administration of the district  
49 29 and the fulfilling of the purposes of the district. The taxes  
49 30 levied for this fund may also be used for the purpose of  
49 31 paying maintenance expenses of improvements or self=  
49 32 liquidating improvements for a specified length of time with  
49 33 one or more options to renew if such is clearly stated in the  
49 34 petition which requests the council to authorize construction  
49 35 of the improvement or self-liquidating improvement, whether or  
50 1 not such petition is combined with the petition requesting  
50 2 creation of a district. Parcels of property which are  
50 3 assessed as residential property for property tax purposes are  
50 4 exempt from the tax levied under this section except  
50 5 residential properties within a duly designated historic  
50 6 district. A tax levied under this section is not subject to  
50 7 the maximum dollars levy limitation in section 384.1.

50 8 Sec. 87. Section 386.9, Code 2005, is amended to read as  
50 9 follows:

50 10 386.9 CAPITAL IMPROVEMENT TAX.

50 11 A city may establish a capital improvement fund for a  
50 12 district and may certify taxes, not to exceed the rate  
50 13 established by the ordinance creating the district, or any  
50 14 subsequent amendment thereto, each year to be levied for the  
50 15 fund against all of the property in the district, for the  
50 16 purpose of accumulating moneys for the financing or payment of  
50 17 a part or all of the costs of any improvement or self=  
50 18 liquidating improvement. However, parcels of property which  
50 19 are assessed as residential property for property tax purposes  
50 20 are exempt from the tax levied under this section except  
50 21 residential properties within a duly designated historic  
50 22 district. A tax levied under this section is not subject to  
50 23 the maximum dollars ~~levy limitations~~ limitation in section  
50 24 384.1 or the levy rate limitation in section 384.7.

50 25 Sec. 88. Sections 331.425 and 331.426, Code 2005, are  
50 26 repealed.

50 27 Sec. 89. APPLICABILITY DATE. This division of this Act  
50 28 takes effect July 1, 2007, and applies to the fiscal year  
50 29 beginning July 1, 2008, and all subsequent fiscal years.

50 30 DIVISION V  
50 31 IMPLEMENTATION TASK FORCE

50 32 Sec. 90.

50 33 1. On or before July 1, 2006, the department of revenue,  
50 34 in conjunction with the department of management, shall  
50 35 initiate and coordinate the establishment of an implementation  
51 1 task force. Both the department of revenue and the department  
51 2 of management shall provide staffing assistance to the task

51 3 force.

51 4 2. a. Voting members of the implementation task force

51 5 shall include four members of the general assembly, one each

51 6 appointed by the co-floor leaders of the senate, the speaker

51 7 of the house of representatives, and the minority leader of

51 8 the house of representatives.

51 9 b. Voting members of the implementation task force shall

51 10 also include the following appointed by the director of

51 11 revenue:

51 12 (1) A representative of the Iowa state association of

51 13 counties.

51 14 (2) A representative of the Iowa league of cities.

51 15 (3) A representative of the Iowa association of school

51 16 boards.

51 17 (4) Local assessors.

51 18 (5) County auditors.

51 19 (6) A representative of an organization representing local

51 20 economic development entities.

51 21 (7) A representative of commercial property taxpayers.

51 22 (8) A representative of industrial property taxpayers.

51 23 (9) A representative of residential property taxpayers.

51 24 (10) A representative of agricultural property taxpayers.

51 25 (11) Other appropriate stakeholders.

51 26 c. Ex officio members of the implementation task force

51 27 shall include the following:

51 28 (1) The director of revenue or the director's designee.

51 29 (2) The director of the department of management or the

51 30 director's designee.

51 31 (3) The director of the department of education or the

51 32 director's designee.

51 33 d. The director of revenue may consider ex officio

51 34 participation on the task force of former state officials with

51 35 expertise in budget and tax policy.

52 1 3. The task force shall study the effects of

52 2 implementation of this Act. The task force shall prepare a

52 3 fiscal analysis detailing the effects of implementation on

52 4 different classes of property and on different property

52 5 taxpayers. The fiscal analysis shall include a comparison of

52 6 property taxes levied by cities and counties under the current

52 7 system and property taxes that could be levied under the

52 8 provisions of this Act. The comparison shall include

52 9 projections beyond the current fiscal year.

52 10 The task force shall also prepare a fiscal analysis

52 11 detailing the effects of implementation of this Act on local

52 12 government and state government revenues.

52 13 4. The task force shall report to the general assembly by

52 14 January 15, 2007, and by January 15, 2008. The report shall

52 15 include information pertaining to the fiscal analysis prepared

52 16 pursuant to subsection 3. The report shall also include

52 17 recommendations pertaining to implementation of this Act.

52 18 5. There is appropriated from the general fund of the

52 19 state to the department of revenue two hundred fifty thousand

52 20 dollars for the purpose of fulfilling the requirements of

52 21 subsection 3.

52 22 Sec. 91. EFFECTIVE DATE. This division of this Act, being

52 23 deemed of immediate importance, takes effect upon enactment.

52 24 EXPLANATION

52 25 This bill makes various changes to the laws relating to

52 26 property taxation, income taxation, and city and county

52 27 budgets.

52 28 Division I of the bill relates to assessment and valuation

52 29 of property. The division requires the assessor to make an

52 30 on-site inspection of property at least once every 10 years.

52 31 The division combines the special appraiser's fund with the

52 32 assessment expense fund in the office of local assessor and

52 33 increases the rate limits for the assessment expense fund to

52 34 include the 40 and 1/2 cents per \$1,000 of assessed value that

52 35 may currently be levied for the special appraiser's fund.

53 1 The division allows for counties to jointly employ an

53 2 assessor.

53 3 The division provides that the formula used to determine

53 4 productivity and net earning capacity of agricultural land

53 5 shall be based on a 10-year average rather than the current

53 6 five-year average. The division provides for a transition to

53 7 the 10-year average.

53 8 The division eliminates the assessment limitations for all

53 9 classes of property and provides that for assessment years

53 10 beginning on or after January 1, 2007, industrial property

53 11 shall be assessed at 100 percent of its actual value and

53 12 agricultural property shall be assessed at 100 percent of its

53 13 productivity value. The bill provides that after a one-year

53 14 transition, commercial property shall be valued at 100 percent  
53 15 of its actual value (2008 assessment year), and after a five=  
53 16 year transition, residential property shall be assessed at 50  
53 17 percent of its actual value (2011 assessment year). The  
53 18 division also provides that residential property with an  
53 19 actual value of less than \$20,000 shall be assessed at the  
53 20 actual value minus \$10,000. The division provides that the  
53 21 one acre on which an agricultural dwelling is located shall be  
53 22 assessed as residential property.

53 23 The division makes various changes to the assessment  
53 24 calendar. The division changes from April 15 to September 15  
53 25 the date that completed assessments are to be mailed to  
53 26 taxpayers. Protests of assessment and protests of  
53 27 equalization orders are to be filed with the local board of  
53 28 review from September 16 through October 5. The board of  
53 29 review is to conduct its sessions of filed protests from  
53 30 October 1 through October 31 in the even-numbered years and  
53 31 from October 1 through November 10 in the odd-numbered years.  
53 32 Under current law and under the bill, equalization orders are  
53 33 issued by the department of revenue in the odd-numbered years.  
53 34 The division allows an aggrieved taxpayer or owner who files a  
53 35 protest of assessment to request an assessment review with the  
54 1 local assessor prior to consideration of the protest by the  
54 2 board of review. Assessment reviews are to be disposed of by  
54 3 September 30.

54 4 The division requires the local assessor and local board of  
54 5 review to keep confidential any documents, reports, audits,  
54 6 and other information supplied by a taxpayer or property owner  
54 7 relating to the amount or source of income, profits, losses,  
54 8 or expenditures of the taxpayer or property owner.

54 9 Except as otherwise noted in the division, division I  
54 10 applies to assessment years beginning on or after January 1,  
54 11 2007.

54 12 Division II of the bill relates to property tax credits,  
54 13 exemptions, and reimbursements and to an income tax credit.

54 14 The military service property tax credit and exemption is  
54 15 changed to a refundable income tax credit equal to \$35.

54 16 The homestead property tax credit is repealed, and the  
54 17 extraordinary property tax credit and rent reimbursement for  
54 18 low-income elderly and disabled persons is retained.

54 19 The division repeals the agricultural land property tax  
54 20 credit. The division makes the current standing appropriation  
54 21 of \$39.1 million for the agricultural land property tax credit  
54 22 a standing appropriation to fund the family farm tax credit.

54 23 The division states the intent of the general assembly to  
54 24 offset the repeal of the homestead credit by appropriating  
54 25 additional moneys as school foundation aid.

54 26 Except as otherwise noted in the division, division II  
54 27 applies to assessment years beginning on or after January 1,  
54 28 2007.

54 29 Division III of the bill makes changes relating to local  
54 30 budgeting and taxation.

54 31 The division requires more detail relating to comparisons  
54 32 of valuations, property tax amounts, and expenditure amounts  
54 33 to be included in county and city budgets. The division also  
54 34 requires that a county and city budget include a comparison of  
54 35 the actual taxes levied in the preceding year and the amount  
55 1 of taxes to be levied in the proposed budget for one  
55 2 representative property from each class of property.

55 3 The division changes the time period in which notice of a  
55 4 public hearing on a county or city budget must be published.  
55 5 Currently, the notice must be published not less than 10 nor  
55 6 more than 20 days prior to the hearing. The division changes  
55 7 the time period to not less than four nor more than 20 days  
55 8 prior to the hearing.

55 9 Division III takes effect July 1, 2007, and applies to  
55 10 fiscal years beginning on or after July 1, 2008.

55 11 Division IV of the bill relates to the limitation on  
55 12 property taxes for counties and cities by removing the  
55 13 property tax rate limitations, on the general and rural fund  
55 14 for counties and on the general fund for cities, and  
55 15 substituting a limitation on the maximum amount of property  
55 16 tax dollars that may be certified by a county or city for  
55 17 those funds.

55 18 The maximum amount of property tax dollars that may be  
55 19 levied by a county for the general and rural basic funds or by  
55 20 a city for the general fund is the maximum allowed in the  
55 21 previous fiscal year increased by an annual price index and  
55 22 net new valuation taxes. "Annual price index" and "net new  
55 23 valuation taxes" are defined in the bill.

55 24 A city or county may, temporarily or permanently, increase



55 25 its maximum dollars limitation by holding a public hearing on  
55 26 the proposal. The proposal is subject to petition and  
55 27 election.  
55 28 Division IV takes effect July 1, 2007, and applies to  
55 29 fiscal years beginning on or after July 1, 2008.  
55 30 Division V of the bill creates an implementation task force  
55 31 to study the effects of implementation of the bill and  
55 32 appropriates \$250,000 for this purpose. The task force is to  
55 33 report to the general assembly by January 15, 2007, and by  
55 34 January 15, 2008. The division takes effect upon enactment.  
55 35 Additional conforming amendments may be necessary to fully  
56 1 implement this bill.  
56 2 LSB 5494HC 81  
56 3 sc:rj/cf/24.1